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LEGISLATIVE HISTORY

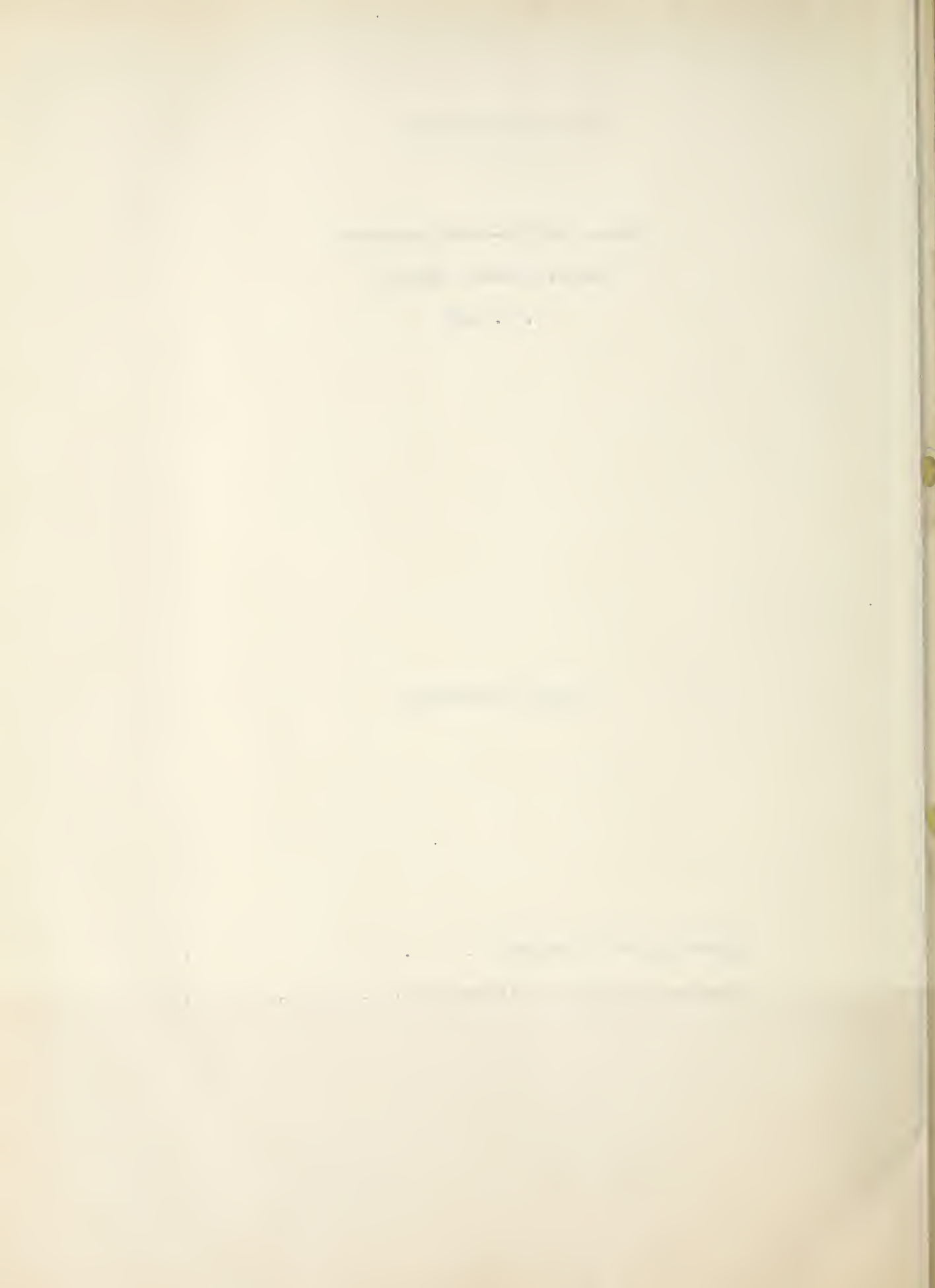
Public Law 364--78th Congress

Chapter 293--2d Session

H. R. 4033

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DIGEST OF PUBLIC LAW 364

PAYMENTS FOR PENALTY MAIL. Provides (effective July 1, 1944) that all penalty envelopes and other mailing materials be procured or accounted for through the Post Office Department; that the Post Office Department report periodically to Congress and the Budget Bureau the number of such materials; that Government agencies include in their Budget estimates anticipated Post Office costs of handling penalty mail; that beginning August 1, 1944, no penalty mail weighing more than 4 pounds shall be permitted, except post-office supplies and publications mailed by Congress, with authorization for larger packages to be mailed at 4th-class rates; that official matter be sent by the most economical means, the Postmaster General being permitted to refuse mail if it can be delivered more economically by other means.

INDEX AND SUMMARY OF HISTORY ON H. P. 4033

February 25, 1943 H. R. 2001 introduced by Rep. Burch, and was referred to the House Committee on the Post Office and Post Roads. Print of the bill as introduced. (Similar bill).

House Document 27. The Budget of the U. S. Government, Fiscal Year ending June 30, 1944. Contains explanatory statement of Postal Revenue and expenditures.

December 7, 1943 Hearings: House, H. R. 2001.

January 21, 1944 Senate Document 147. Reduction of nonessential Federal expenditures. Penalty mail.

H. R. 4033 introduced by Rep. Burch, and was referred to the House Committee on the Post Office and Post Roads. Print of the bill as introduced.

January 24, 1944 House Committee reported H. R. 4033 without amendment. House Report 1011. Print of the bill as reported.

February 7, 1944 Debated and passed House as reported.

February 8, 1944 Print of the bill as referred to the Senate Committee on Post Offices and Post Roads.

Remarks of Rep. Keefe.

June 16, 1944 Senate Committee reported H. R. 4033 without amendment. Senate Report 984. Print of the bill as reported.

June 22, 1944 Discussed and passed Senate with an amendment.

June 23, 1944 House agreed to the Senate amendment.

June 28, 1944 Approved. Public Law 364.

July 26, 1944 Budget and Finance Circular 767. Estimate and reports on volume and cost of handling penalty mail.

Plant and Operations Circular No. 153.

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78TH CONGRESS
1ST SESSION

H. R. 2001

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 1943

Mr. BURCH of Virginia introduced the following bill; which was referred to the Committee on the Post Office and Post Roads

A BILL

Requiring departments, agencies, and independent establishments in the executive branch of the Government to pay postage on official mail matter, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That (a) except as provided in sections 2 and 3, no official
4 mail matter of any department, agency, or independent estab-
5 lishment in the executive branch of the Government shall be
6 transmitted through the mail unless such matter is stamped,
7 as provided in subsection (b), with the full rate of postage
8 that would be applicable if such mail matter were trans-
9 mitted through the mail as private matter.

10 (b) In order to carry out the provisions of this section

1 the Postmaster General shall prepare special official stamps
2 and special official stamped envelopes of suitable denomi-
3 nations and may provide for the use of meter or other devices
4 in lieu of such special stamps or envelopes. Each such
5 official stamp, each stamp on an official stamped envelope,
6 and each indicia printed by a meter or other device shall
7 contain a statement of the penalty for the unlawful use of
8 such official stamp, stamped envelope, or indicia.

9 SEC. 2. The Post Office Department shall have the
10 privilege of transmitting through the mail free of postage
11 any mail matter relating exclusively to the official business
12 of the Postal Service or the Postal Savings System if such
13 mail matter is mailed by an officer or employee of such
14 Department and is addressed to an officer or employee of
15 such Department.

16 SEC. 3. (a) The President shall have the privilege of
17 free transmission of official mail matter under his written
18 autograph or facsimile thereof.

19 (b) Official mail matter of the White House Office in
20 the Executive Office of the President shall be transmitted
21 through the mail free of postage under the President's written
22 autograph or facsimile thereof.

23 SEC. 4. Section 6 of the Post Office Department Approp-
24 priation Act, 1940, as amended (U. S. C., 1940 edition, title
25 39, sec. 321b) is amended to read as follows:

1 “SEC. 6. No executive department or independent estab-
 2 lishment of the Government shall transmit through the mail
 3 any book, report, periodical, bulletin, pamphlet, list, or other
 4 article or document, unless a request therefor has been previ-
 5 ously received by such department or independent establish-
 6 ment; or such transmission is required by law; or such
 7 document is transmitted to inform the recipient thereof of the
 8 adoption, amendment, or interpretation of a statute, rule,
 9 regulation, or order to which he is subject.”

10 SEC. 5. The sentence in section 73 of the Act entitled
 11 “An Act providing for the public printing and binding and
 12 the distribution of public documents”, approved January 12,
 13 1895, which reads “Official correspondence concerning the
 14 Directory may be had in penalty envelopes under the direc-
 15 tion of the Joint Committee” (U. S. C., 1940 edition, title
 16 44, sec. 149, fourth sentence) is amended to read as follows:
 17 “Official correspondence concerning the Directory may be
 18 had in franked envelopes of the Chairman of the Joint
 19 Committee under the direction of such committee”.

20 SEC. 6. Section 3 of the Act entitled “An Act to apply
 21 a portion of the proceeds of the public lands to the more
 22 complete endowment and support of the colleges for the
 23 benefit of agriculture and the mechanic arts established under
 24 the provisions of an act of Congress approved July second,
 25 eighteen hundred and sixty-two”, approved August 30, 1890,

1 as amended (U. S. C., 1940 edition, title 7, sec. 325), is
2 amended by striking out “, one copy of which shall be trans-
3 mitted by mail free to all other colleges further endowed
4 under this act”.

5 SEC. 7. Section 227 of the Act entitled “An Act to
6 codify, revise, and amend the penal laws of the United
7 States”, approved March 4, 1909, as amended (U. S. C.,
8 1940 edition, title 18, sec. 357), is amended to read as
9 follows:

10 “SEC. 227. Whoever shall make use of any official en-
11 velope, label, stamp, indicia, or indorsement authorized by
12 law, to avoid the payment of postage or registry fee on his
13 private letter, packet, package, or other matter in the mail,
14 shall be fined not more than \$300.”

15 SEC. 8. The last sentence of section 1303 (d) of the
16 Revenue Act of 1918, as amended (U. S. C., 1940 edition,
17 title 2, sec. 277), is amended to read as follows: “Each
18 legislative counsel shall have the privilege of free trans-
19 mission of official mail matter under his written autograph
20 signature or facsimile thereof.”

21 SEC. 9. The Act entitled “An Act to provide for the
22 classification of extraordinary expenditures contributing to
23 the deficiency of postal revenues”, approved June 9, 1930
24 (U. S. C., 1940 edition, title 39, sec. 793), is amended—

1 (a) Effective with respect to the fiscal year ending
2 June 30, 1943, and each fiscal year thereafter, by adding
3 at the end thereof the following:

4 "SEC. 2. The Postmaster General shall submit a report
5 to Congress at the beginning of each regular session for the
6 preceding fiscal year containing the information which he
7 is required to certify to the Secretary of the Treasury and
8 to the Comptroller General of the United States under
9 section 1."

10 (b) Effective with respect to the fiscal year beginning
11 July 1, 1943, and each fiscal year thereafter, by repealing
12 paragraph (a).

13 SEC. 10. (a) The third sentence in section 19 of the
14 Federal Home Loan Bank Act, as amended (U. S. C., 1940
15 edition, title 12, sec. 1439, third sentence), is amended by
16 striking out "shall be entitled to the free use of the United
17 States mails for its official business in the same manner as
18 the executive departments of the Government; and".

19 (b) The third sentence in section 4 (j) of Home
20 Owners' Loan Act of 1933, as amended (U. S. C., 1940
21 edition, title 12, sec. 1463 (j), third sentence), is amended
22 by striking out "shall be entitled to the free use of the
23 United States mails for its official business in the same man-
24 ner as the executive departments of the Government, and".

1 SEC. 11. The following Acts and parts of Acts are re-
2 pealed:

3 (a) Sections 5 and 6 of the Act entitled "An Act estab-
4 lishing post-roads and for other purposes", approved March
5 3, 1877, as amended (U. S. C., 1940 edition, title 39, sec.
6 321).

7 (b) Section 29 of the Act entitled "An act making
8 appropriations for the service of the Post Office Department
9 for the fiscal year ending June thirtieth, eighteen hundred
10 and eighty, and for other purposes", approved March 3, 1879,
11 as amended.

12 (c) The Act entitled "An Act permitting official mail
13 of the Pan American Sanitary Bureau to be transmitted
14 in penalty envelopes", approved June 29, 1940 (U. S. C.,
15 1940 edition, title 39, sec. 321-1).

16 (d) The proviso added to section 3 of the Act entitled
17 "An Act making appropriations for the service of the Post
18 Office Department for the fiscal year ending June 30, 1885,
19 and for other purposes", approved July 5, 1884, by section
20 2 of the Act entitled "An Act authorizing the Postmaster
21 General to establish a uniform system of registration of
22 mail matter, and for other purposes", approved May 1, 1928
23 (U. S. C., 1940 edition, title 39, sec. 321a).

24 (e) The last sentence of section 2 of the Act entitled
25 "An Act making appropriations for the legislative, execu-

1 five, and judicial expenses of the government for the fiscal
2 year ending June thirtieth, eighteen hundred and eighty-
3 four and for other purposes", approved March 3, 1883, as
4 amended (U. S. C., 1940 edition, title 39, sec. 322).

5 (f) Section 65 of the Act entitled "An Act providing for
6 the public printing and binding and the distribution of public
7 documents", approved January 12, 1895, as amended
8 (U. S. C., 1940 edition, title 39, sec. 323).

9 (g) Section 7 of the Act entitled "An Act making ap-
10 propriations for the service of the Post-Office Department
11 for the fiscal year ending June thirtieth, eighteen hundred
12 and seventy-six, and for other purposes", approved March
13 3, 1875, as amended (U. S. C., 1940 edition, title 39, sec.
14 329).

15 (h) The proviso in the fourth paragraph under the
16 heading "Office of Experiment Stations" of the Act entitled
17 "An Act making appropriations for the Department of Agri-
18 culture for the fiscal year ending June thirtieth, nineteen
19 hundred and fifteen", approved June 30, 1914, as amended
20 (U. S. C., 1940 edition, title 39, sec. 330).

21 (i) The paragraph of the Act entitled "An Act making
22 appropriations for the service of the Post-Office Depart-
23 ment for the fiscal year ending June thirtieth, nineteen
24 hundred and seven, and for other purposes", approved June

1 26, 1906 (U. S. C., 1940 edition, title 39, sec. 333), which
2 reads:

3 "That hereafter no article, package, or other matter,
4 except postage stamps, stamped envelopes, newspaper wrap-
5 pers, postal cards, and internal-revenue stamps, shall be
6 admitted to the mails under a penalty privilege, unless such
7 article, package, or other matter, except postage stamps,
8 stamped envelopes, newspaper wrappers, postal cards, and
9 internal-revenue stamps would be entitled to admission to
10 the mails under laws requiring payment of postage."

11 (j) The proviso of section 11 of the Act entitled "An
12 Act to amend the Act approved June twenty-fifth, nineteen
13 hundred and ten, authorizing the postal savings system, and
14 for other purposes", approved May 18, 1916, as amended
15 (U. S. C., 1940 edition, title 39, sec. 334).

16 (k) Section 14 of the Act entitled "An Act to provide
17 for the fifteenth and subsequent decennial censuses and to
18 provide for apportionment of Representatives in Congress",
19 approved June 18, 1929 (U. S. C., 1940 edition, title 39,
20 sec. 337).

21 (l) Section 13 of the Act entitled "An Act to provide
22 for the establishment of a national employment system and
23 for cooperation with the States in the promotion of such
24 system, and for other purposes", approved June 6, 1933
25 (U. S. C., 1940 edition, title 39, sec. 338).

1 (m) The last sentence of section 4 of the Act entitled
 2 "An Act to establish agricultural experiment stations in con-
 3 nection with the colleges established in the several States
 4 under the provisions of an act approved July second, eighteen
 5 hundred and sixty-two, and of the acts supplementary there-
 6 to", approved March 2, 1887, as amended (U. S. C., 1940
 7 edition, title 7, sec. 365, last sentence).

8 (n) Section 343 of the Nationality Act of 1940, as
 9 amended (U. S. C., 1940 edition, title 8, sec. 743).

10 (o) Section 6 of the Act entitled "An Act to amend
 11 an Act entitled 'An Act to establish a uniform system of
 12 bankruptcy throughout the United States', approved July 1,
 13 1898, and Acts amendatory thereof and supplementary there-
 14 to", approved June 7, 1934 (U. S. C., 1940 edition, title 11,
 15 sec. 203a).

16 (p) The sentence in each of the following which reads
 17 "The Corporation shall be entitled to the free use of the
 18 United States mails in the same manner as the executive
 19 departments of the Government":

20 (1) Section 12 B (k) (1) of the Federal Reserve Act,
 21 as amended (U. S. C., 1940 edition, title 12, sec. 264 (k)
 22 (1)) ;

23 (2) Section 2 of the Federal Farm Mortgage Corpora-
 24 tion Act, as amended (U. S. C., 1940 edition, title 12, sec.
 25 1020a) ;

1 (3) Section 4 of the Reconstruction Finance Corpora-
2 tion Act, as amended (15 U. S. C., 1940 edition, title 15, sec.
3 604) ; and

4 (4) Section 4 (d) of the Act entitled "An Act to mo-
5 bilize the productive facilities of small business in the interests
6 of successful prosecution of the war, and for other purposes",
7 approved June 11, 1942 (Public Law 603, Seventy-seventh
8 Congress) .

9 (q) Section 14 of the Act entitled "An Act to amend
10 and consolidate the Acts respecting copyright", approved
11 March 4, 1909, as amended (U. S. C., 1940 edition, title 17,
12 sec. 14) .

13 (r) The fourth sentence of section 9 of the Federal Reg-
14 ister Act, as amended (U. S. C., 1940 edition, title 44, sec.
15 309, fourth sentence) .

16 (s) The last sentence of section 10 (c) of the Selective
17 Training and Service Act of 1940, as amended (U. S. C.,
18 1940 edition, title 50 App., sec. 310 (c) , last sentence) .

19 SEC. 12. This Act shall take effect upon enactment, ex-
20 cept sections 1 (a) , 4, 6, 10, and 11 shall take effect July 1,
21 1943.

78TH CONGRESS
1ST SESSION

H. R. 2001

A BILL

Requiring departments, agencies, and independent establishments in the executive branch of the Government to pay postage on official mail matter, and for other purposes.

By Mr. BURCH of Virginia

FEBRUARY 25, 1943

Referred to the Committee on the Post Office and
Post Roads

THE BUDGET
OF THE
UNITED STATES GOVERNMENT
FOR THE FISCAL YEAR
ENDING JUNE 30
1944



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1943

THE BIBLE

IN THE KING JAMES VERSION

WITH A

NEW INTRODUCTION

BY



POST OFFICE DEPARTMENT

Summary of estimates of appropriations for the fiscal year 1944, compared with appropriations for the fiscal year 1943

Bureau or subdivision	Budget estimates, 1944	Appropriations, 1943 (revised)	Increase (+) or decrease (—)
Annual appropriations:			
Post Office Department, Washington.....	\$4,888,800	\$4,359,691	+\$529,109
Postal Service, field operations: Under the—			
Postmaster General.....	138,000	98,000	+40,000
Chief Inspector.....	5,036,280	4,327,870	+708,410
First Assistant.....	589,531,960	573,534,760	+15,997,200
Second Assistant.....	233,095,575	250,234,769	—17,139,194
Third Assistant.....	5,940,000	6,190,000	—250,000
Fourth Assistant.....	67,896,900	64,233,473	+3,663,427
Total, Postal Service, field operations.....	901,638,715	898,618,872	+3,019,843
Total, annual estimate or appropriation.....	906,527,515	902,978,563	+3,548,952
Estimated postal revenues.....	910,000,000	900,000,000	
Estimated excess of expenditures over revenues (deficiency).....	¹ 3,472,485	2,978,563	

¹ Surplus.

EXPLANATORY STATEMENT

The Post Office Department is a service organization. In addition to postal activities the Department performs many services for other Government agencies, such as the sale of internal-revenue stamps, automobile tax stamps and Treasury bonds. The Post Office Department is reimbursed in full for some services and in part for other services. Receipts from these sources do not affect postal revenues. No reimbursement is received for work performed in connection with conducting examinations and advising the public on civil service matters.

The several appropriation items under Post Office Department, "Salaries and expenses," provide for the general overhead activities of the Department at Washington. An increase of 12 percent is required over 1943 appropriations for the reorganization and expansion of procedures needed to obtain complete and accurate information relative to the postal business. The cost of all overhead expenses at the seat of government is only one-half of 1 percent of the total appropriation for the entire Postal Service.

POSTAL REVENUE

Postal revenue is derived from the sale of postage by stamps, permits, and meters, box rents, money-order fees, and postal savings.

The revenue for the fiscal year 1942 was the largest in the history of the Postal Service, reaching a total of over \$859,000,000. The monthly revenues for the fiscal year 1943 show large increases over the corresponding months of 1942 in spite of the enactment of legislation which extends free service to members of the armed forces. According to available statistics it is interesting to note that free mailings by members of the armed forces amount to approximately 1.45 billion pieces of mail on an annual basis and represent a free service of \$43,000,000. On the other hand, the extended use of the mail service by the public has had the effect of increasing postal revenue and for the most part is responsible for the estimate of \$900,000,000 for 1943. If this estimate is realized, it will be 5 percent more than the actual revenues for the fiscal year 1942. In line with this trend of operation, the estimate of revenue for the fiscal year 1944 has been established at \$910,000,000.

EXPENDITURES

The trend of postal expenditures in normal times follows the trend of postal revenues. Since these are wartimes, it is necessary to consider more closely the effect of mail and other operations in relation to expenditures. War activities require greatly expanded communication facilities, both free and paid, and both affect the Postal Service. The number of pieces of penalty mail increased 69 percent, or from 1 billion to 1.7 billion in the past 4 years. During the same period the poundage of penalty mail increased 87 percent, or from 167,000,000 pounds to 312,000,000 pounds. Based on regular postal rates, the revenue value of this mail increased 111 percent, or from \$34,000,000 to \$72,000,000. Thus, the fiscal year 1942 ended with a record high for postal revenues, penalty mailing, and postal expenditures.

Comparison of the estimate for the fiscal year 1944 with the appropriation for 1943 reveals an increase of less than one-half of 1 percent, which is in line with present trends of work load. Since the Postal Service is so far-flung, reaching everyone through 44,000 post offices, it is necessary to follow a budget practice of utilizing supplemental appropriations for many of the activities of the Service. However, the same trend with reference to revenues, mail-handling operations, and expenditure apply as in the regular annual estimates and appropriations, so the financial picture is not distorted by this practice.

The expenditures of the Post Office Department, authorized by the appropriations made for such purposes, are met from postal revenues to the extent that such revenues are available, and any excess of expenditures over such revenues is paid from the general fund of the Treasury. The estimated deficiency for the fiscal year 1943 is \$3,000,000 and for 1944 a surplus of \$3,500,000.

The estimated revenue for 1944 is predicated on the assumption that the present 3-cent letter rate for non-local mail fixed by legislation, which expires on June 30, 1943, will be extended by the Congress to include the fiscal year 1944. Failure to do so would result in an annual loss of postal revenue and a corresponding increase in the postal deficit of approximately \$125,000,000.

SUMMARY OF OPERATIONS

Classification	Estimated, fiscal year 1944	Estimated, fiscal year 1943	Actual, fiscal year 1942
I. REVENUES:			
1. Ordinary postal revenues.....	\$861,800,000	\$853,800,000	\$819,220,967.18
2. Money-order revenues.....	38,750,000	36,750,000	31,145,028.57
3. Revenues from postal-savings business.....	9,450,000	9,450,000	9,451,495.13
Total revenues.....	910,000,000	900,000,000	859,817,490.88
II. EXPENDITURES:			
1. Post Office Department proper.....	4,888,800	4,739,272	4,344,882.00
2. Postal service.....	901,638,715	899,050,440	867,297,795.00
Subtotal, postal operations.....	906,527,515	903,789,712	871,642,677.00
3. Additional requirements from general revenues.....			-579,094.34
Total.....	906,527,515	903,789,712	871,063,582.66
Adjustment to reconcile withdrawals from the Treasury on account of the postal deficiency, with the audited gross deficit.....			+6,483,683.07
Total expenditures.....	906,527,515	903,789,712	877,547,265.73
III. DEFICIT:			
Postal operations in excess of postal revenues.....	¹ 3,472,485	3,789,712	11,825,186.12
IV. FINANCED FROM GENERAL REVENUES:			
Postal deficit.....	¹ 3,472,485	3,789,712	11,825,186.12
Additional requirements.....			-579,094.34
Adjustment to daily Treasury statement.....			+6,483,683.07
Total carried to General Budget Summary.....	¹ 3,472,485	3,789,712	17,729,774.85

¹ Surplus.

SUPPORTING STATEMENT No. 1

POSTAL REVENUES

Classification	Estimated, fiscal year 1944	Estimated, fiscal year 1943	Actual, fiscal year 1942
1. Ordinary postal revenues:			
Sales of stamps, stamped envelopes, newspaper wrappers, and postal cards.....	\$612,327,000	\$604,577,000	\$571,651,033.87
Second-class postage (pound rate) paid in money.....	25,000,000	25,000,000	24,403,548.00
First-, second-, third-, and fourth-class postage paid in money under permit.....	209,000,000	209,000,000	208,325,469.71
Receipts from box rents.....	9,250,000	9,000,000	8,661,284.88
Miscellaneous receipts.....	2,400,000	2,400,000	2,327,079.64
Receipts from foreign-mail transit service.....	3,600,000	3,600,000	3,636,200.56
Fines and penalties.....	80,000	80,000	78,947.02
Second-class application fees, act of July 7, 1932.....	60,000	60,000	58,097.50
Nonmetered application fees, act of July 7, 1932.....	80,000	80,000	76,240.00
Post-route map sales.....	3,000	3,000	3,066.00
Total, ordinary postal revenues.....	861,800,000	853,800,000	819,220,967.18
2. Money-order revenues:			
Revenues from domestic and international money-order business.....	38,000,000	36,000,000	30,394,178.86
Revenues from invalid money orders.....	750,000	750,000	750,849.71
Total, money-order revenues.....	38,750,000	36,750,000	31,145,028.57
3. Revenues from postal-savings business.....	9,450,000	9,450,000	9,451,495.13
Total, revenues.....	910,000,000	900,000,000	859,817,490.88



PENALTY MAIL

FILE COPY

HEARINGS

BEFORE THE

COMMITTEE ON

THE POST OFFICE AND POST ROADS

HOUSE OF REPRESENTATIVES

SEVENTY-EIGHTH CONGRESS

FIRST SESSION

ON

H. R. 2001

A BILL REQUIRING DEPARTMENTS, AGENCIES, AND
INDEPENDENT ESTABLISHMENTS IN THE EXECU-
TIVE BRANCH OF THE GOVERNMENT TO PAY
POSTAGE ON OFFICIAL MAIL MATTER,
AND FOR OTHER PURPOSES

DECEMBER 7 AND 8, 1943

Printed for the use of the
Committee on the Post Office and Post Roads



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1944

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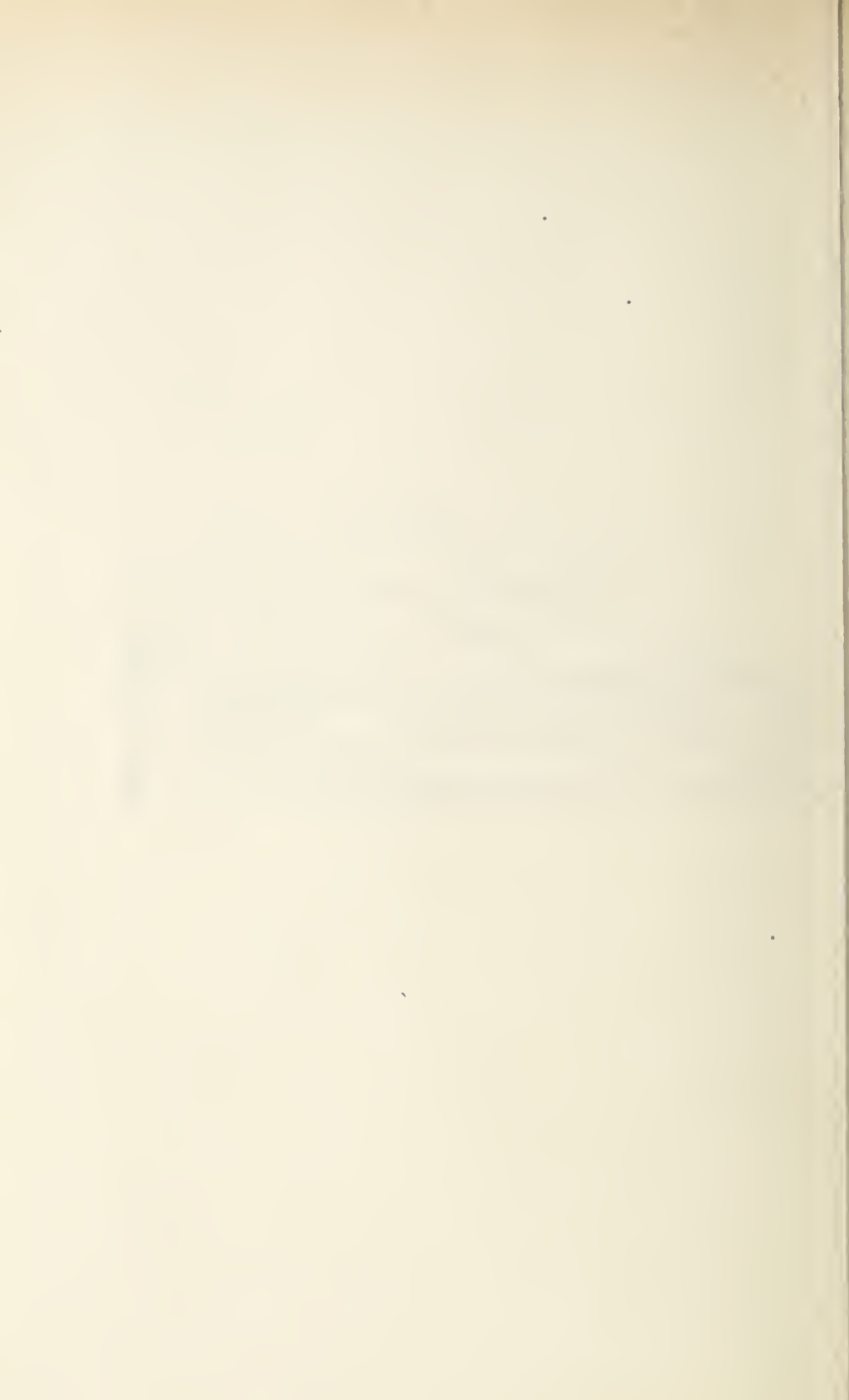
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PENALTY MAIL

TUESDAY, DECEMBER 7, 1943

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE POST OFFICE AND POST ROADS,
Washington, D. C.

The committee this day met at 10:15 a. m., Hon. Thomas G. Burch, (chairman) presiding, for consideration of H. R. 2001, which reads as follows:

[H. R. 2001, 75th Cong., 1st sess.]

A BILL Requiring departments, agencies, and independent establishments in the executive branch of the Government to pay postage on official mail matter, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That (a) except as provided in sections 2 and 3, no official mail matter of any department, agency, or independent establishment in the executive branch of the Government shall be transmitted through the mail unless such matter is stamped, as provided in subsection (b), with the full rate of postage that would be applicable if such mail matter were transmitted through the mail as private matter.

(b) In order to carry out the provisions of this section the Postmaster General shall prepare special official stamps and special official stamped envelopes of suitable denominations and may provide for the use of meter or other devices in lieu of such special stamps or envelopes. Each such official stamp, each stamp on an official stamped envelope, and each indicia printed by a meter or other device shall contain a statement of the penalty for the unlawful use of such official stamp, stamped envelope, or indicia.

SEC. 2. The Post Office Department shall have the privilege of transmitting through the mail free of postage any mail matter relating exclusively to the official business of the Postal Service or the Postal Savings System if such mail matter is mailed by an officer or employee of such Department and is addressed to an officer or employee of such Department.

SEC. 3. (a) The President shall have the privilege of free transmission of official mail matter under his written autograph or facsimile thereof.

(b) Official mail matter of the White House Office in the Executive Office of the President shall be transmitted through the mail free of postage under the President's written autograph or facsimile thereof.

SEC. 4. Section 6 of the Post Office Department Appropriation Act, 1940, as amended (U. S. C., 1940 edition, title 39, sec. 321b) is amended to read as follows:

"SEC. 6. No executive department or independent establishment of the Government shall transmit through the mail any book, report, periodical, bulletin, pamphlet, list, or other article or document, unless a request therefor has been previously received by such department or independent establishment; or such transmission is required by law; or such document is transmitted to inform the recipient thereof of the adoption, amendment, or interpretation of a statute, rule, regulation, or order to which he is subject."

SEC. 5. The sentence in section 73 of the Act entitled "An Act providing for the public printing and binding and the distribution of public documents", approved January 12, 1895, which reads "Official correspondence concerning the Directory may be had in penalty envelopes under the direction of the Joint Committee" (U. S. C., 1940 edition, title 44, sec. 149, fourth sentence) is amended to read as follows: "Official correspondence concerning the Directory may be had in franked envelopes of the Chairman of the Joint Committee under the direction of such committee".

SEC. 6. Section 3 of the Act entitled "An Act to apply a portion of the proceeds of the public lands to the more complete endowment and support of the colleges for the benefit of agriculture and the mechanic arts established under the provisions of an act of Congress approved July second, eighteen hundred and sixty-two", approved August 30, 1890, as amended (U. S. C., 1940 edition, title 7, sec. 325), is amended by striking out "one copy of which shall be transmitted by mail free to all other colleges further endowed under this act".

SEC. 7. Section 227 of the Act entitled "An Act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909, as amended (U. S. C., 1940 edition, title 18, sec. 357), is amended to read as follows:

"SEC. 227. Whoever shall make use of any official envelope, label, stamp, indicia, or indorsement authorized by law, to avoid the payment of postage or registry fee on his private letter, packet, package, or other matter in the mail, shall be fined not more than \$300."

SEC. 8. The last sentence of section 1303 (d) of the Revenue Act of 1918, as amended (U. S. C., 1940 edition, title 2, sec. 277), is amended to read as follows: "Each legislative counsel shall have the privilege of free transmission of official mail matter under his written autograph signature or facsimile thereof."

SEC. 9. The Act entitled "An Act to provide for the classification of extraordinary expenditures contributing to the deficiency of postal revenues", approved June 9, 1930 (U. S. C., 1940 edition, title 39, sec. 793), is amended—

(a) Effective with respect to the fiscal year ending June 30, 1943, and each fiscal year thereafter, by adding at the end thereof the following:

"SEC. 2. The Postmaster General shall submit a report to Congress at the beginning of each regular session for the preceding fiscal year containing the information which he is required to certify to the Secretary of the Treasury and to the Comptroller General of the United States under section 1."

(b) Effective with respect to the fiscal year beginning July 1, 1943, and each fiscal year thereafter, by repealing paragraph (a).

SEC. 10. (a) The third sentence in section 19 of the Federal Home Loan Bank Act, as amended (U. S. C., 1940 edition, title 12, sec. 1439, third sentence), is amended by striking out "shall be entitled to the free use of the United States mails for its official business in the same manner as the executive departments of the Government; and".

(b) The third sentence in section 4 (j) of Home Owners' Loan Act of 1933, as amended (U. S. C., 1940 edition, title 12, sec. 1463 (j), third sentence), is amended by striking out "shall be entitled to the free use of the United States mails for its official business in the same manner as the executive departments of the Government, and".

SEC. 11. The following Acts and parts of Acts are repealed:

(a) Sections 5 and 6 of the Act entitled "An Act establishing post-roads and for other purposes", approved March 3, 1877, as amended (U. S. C., 1940 edition, title 39, sec. 321).

(b) Section 29 of the Act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June thirtieth, eighteen hundred and eighty, and for other purposes", approved March 3, 1879, as amended.

(c) The Act entitled "An Act permitting official mail of the Pan American Sanitary Bureau to be transmitted in penalty envelopes", approved June 29, 1940 (U. S. C., 1940 edition, title 39, sec. 321-1).

(d) The proviso added to section 3 of the Act entitled "An Act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1885, and for other purposes", approved July 5, 1884, by section 2 of the Act entitled "An Act authorizing the Postmaster General to establish a uniform system of registration of mail matter, and for other purposes", approved May 1, 1928 (U. S. C., 1940 edition, title 39, sec. 321a).

(e) The last sentence of section 2 of the Act entitled "An Act making appropriations for the legislative, executive, and judicial expenses of the government for the fiscal year ending June thirtieth, eighteen hundred and eighty-four and for other purposes", approved March 3, 1883, as amended (U. S. C., 1940 edition, title 39, sec. 322).

(f) Section 65 of the Act entitled "An Act providing for the public printing and binding and the distribution of public documents", approved January 12, 1895, as amended (U. S. C., 1940 edition, title 39, sec. 323).

(g) Section 7 of the Act entitled "An Act making appropriations for the service of the Post-Office Department for the fiscal year ending June thirtieth, eighteen hundred and seventy-six, and for other purposes", approved March 3, 1875, as amended (U. S. C., 1940 edition, title 39, sec. 329).

(h) The proviso in the fourth paragraph under the heading "Office of Experiment Stations" of the Act entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and fifteen", approved June 30, 1914, as amended (U. S. C., 1940 edition, title 39, sec. 330).

(i) The paragraph of the Act entitled "An Act making appropriations for the service of the Post-Office Department for the fiscal year ending June thirtieth, nineteen hundred and seven, and for other purposes", approved June 26, 1906 (U. S. C., 1940 edition, title 39, sec. 333), which reads:

"That hereafter no article, package, or other matter, except postage stamps, stamped envelopes, newspaper wrappers, postal cards, and internal-revenue stamps, shall be admitted to the mails under a penalty privilege, unless such article, package, or other matter, except postage stamps, stamped envelopes, newspaper wrappers, postal cards, and internal-revenue stamps would be entitled to admission to the mails under laws requiring payment of postage."

(j) The proviso of section 11 of the Act entitled "An Act to amend the Act approved June twenty-fifth, nineteen hundred and ten, authorizing the postal savings system, and for other purposes", approved May 18, 1916, as amended (U. S. C., 1940 edition, title 39, sec. 334).

(k) Section 14 of the Act entitled "An Act to provide for the fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress", approved June 18, 1929 (U. S. C., 1940 edition, title 39, sec. 337).

(l) Section 13 of the Act entitled "An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes", approved June 6, 1933 (U. S. C., 1940 edition, title 39, sec. 338).

(m) The last sentence of section 4 of the Act entitled "An Act to establish agricultural experiment stations in connection with the colleges established in the several States under the provisions of an act approved July second, eighteen hundred and sixty-two, and of the acts supplementary thereto", approved March 2, 1887, as amended (U. S. C., 1940 edition, title 7, sec. 365, last sentence).

(n) Section 343 of the Nationality Act of 1940, as amended (U. S. C., 1940 edition, title 8, sec. 743).

(o) Section 6 of the Act entitled "An Act to amend an Act entitled 'An Act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and Acts amendatory thereof and supplementary thereto", approved June 7, 1934 (U. S. C., 1940 edition, title 11, sec. 203a).

(p) The sentence in each of the following which reads "The Corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government":

(1) Section 12 B (k) (1) of the Federal Reserve Act, as amended (U. S. C., 1940 edition, title 12, sec. 264 (k) (1));

(2) Section 2 of the Federal Farm Mortgage Corporation Act, as amended (U. S. C., 1940 edition, title 12, sec. 1020a);

(3) Section 4 of the Reconstruction Finance Corporation Act, as amended (15 U. S. C., 1940 edition, title 15, sec. 604); and

(4) Section 4 (d) of the Act entitled "An Act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes", approved June 11, 1942 (Public Law 603, Seventy-seventh Congress).

(q) Section 14 of the Act entitled "An Act to amend and consolidate the Acts respecting copyright", approved March 4, 1909, as amended (U. S. C., 1940 edition, title 17, sec. 14).

(r) The fourth sentence of section 9 of the Federal Register Act, as amended (U. S. C., 1940 edition, title 44, sec. 309, fourth sentence).

(s) The last sentence of section 10 (e) of the Selective Training and Service Act of 1940, as amended (U. S. C., 1940 edition, title 50 App., sec. 310 (e), last sentence).

SEC. 12. This Act shall take effect upon enactment, except sections 1 (a), 4, 6, 10, and 11 shall take effect July 1, 1943.

(The report of the Post Office Department on this bill follows:)

POST OFFICE DEPARTMENT,
Washington, D. C., December 4, 1943.

HON. THOMAS G. BURCH,

*Chairman, Committee on the Post Office and Post Roads,
House of Representatives, Washington, D. C.*

MY DEAR MR. BURCH: Careful consideration has been given to your request for a report upon H. R. 2001, a bill requiring departments, agencies, and independent establishments in the executive branch of the Government to pay postage on official mail matter, and for other purposes.

The bill would require the payment of postage upon practically all the mail matter which is now transmitted free of postage as penalty matter. This proposed legislation, which has been given considerable publicity through governmental departments and agencies, evidently has at least had the effect of causing them to become aware of the need for exercising good judgment in the issuance of penalty mail.

It is not believed that the principle embodied in H. R. 2001, which requires the payment of postage on all official matter, would remedy the condition which prompted it. Vast amounts of penalty mail now handled as first-class would doubtless be sent at cheaper postage rates. There would be the same volume with much the same cost to the Post Office Department for handling and transporting, but the postage would indicate a lesser volume. Moreover, appropriations for postage for the several departments would be at least a temporary drain on, rather than a gain to, the Treasury. (The funds would of course ultimately show up again in the Treasury after passing from one Government pocket to the other). There would be an inflation of postal receipts with fictitious revenue, since the Government would create no revenue by paying postage to itself. The several departments also would be charged with amounts of postage which do not represent actual cost of handling their mail, and thus the cost to the Government of work done by them would be overstated.

The computation and affixing of postage (or its collection in some other manner) also would entail considerable additional labor and costs in all departments and agencies as well as cause delay in presenting the mail to the post office. The Post Office Department would be burdened, and its cost increased, as it would have to look after the weighing and verifying of postage, maintain certain records where machines would be used, and perform other details incident to the collection of postage. There are, of course, short-cuts that could be devised, but the fact remains that collecting postage on penalty mail would still be a considerable problem. The results which it is desired to accomplish, may be accomplished in less burdensome ways.

It is understood as a general proposition that such criticism as exists concerning the free mailing of official matter arises from what may be called the excessive use or occasional misuse of the privilege, due largely to the situation whereby the mailer is under no compulsion to consider the cost of transportation or to utilize a less expensive means of transportation. To require postage in all cases to correct this condition would involve much additional work on the part of mailers and on the Postal Service out of all proportion to the end to be accomplished, and penalize the mailer who has not misused the privilege.

As you are aware the Treasury Post Office Appropriation Act approved June 30, 1943 (Public Law 102) contained the following provision:

"Sec 204 The Joint Committee on Investigation of Nonessential Federal Expenditures is hereby directed to make a study of the problem of penalty mail in all of the departments and branches of the Government, with a view to eliminating unnecessary volume and reducing costs, and shall report its findings and recommendations by bill or otherwise to Congress not later than the first day of the next regular session of the Seventy-eighth Congress. The departments and agencies of Government shall furnish such information and detail such personnel as may be requested by the committee to assist in its investigation."

In view of the foregoing this Department does not favor the enactment of this bill.

It has been ascertained from the Bureau of the Budget that this report is in accord with the program of the President.

Very truly yours,

FRANK C. WALKER, *Postmaster General.*

The CHAIRMAN. I want to state to those present, members of the committee and representatives of the Post Office Department and the Bureau of the Budget, that while it may appear that we are a little premature in this hearing, yet I wish to assure you that such is not the case. My intention is not to conclude these hearings before we have a report from the Joint Committee on Reduction of Nonessential Federal Expenditures headed by Senator Byrd, which report is due not later than the beginning of the next session of the Congress, or about January 3 or 4. That report will be ready within a short time; but it is absolutely necessary for us to get along and work on this matter for the reason that the subcommittee of the Committee on Appropriations having to do with the Treasury Department and Post Office Department appropriations, headed by Mr. Ludlow, intends to begin work soon. I understand that it intended to start hearings on that bill this week, but postponed hearings until next week. It is definitely intended to begin those hearings next week; and it is necessary that this committee take some action regardless of what the Joint Committee on Reduction of Nonessential Federal Expenditures may report. That is the principal reason we are going into this matter now.

You gentlemen present know that we have to take some action in connection with penalty mail; and I think this committee wants to take the most practicable and sensible position and do the best thing it can to control the matter of unnecessary distribution of penalty mail by the various departments and independent agencies.

As I have said, regardless of what the Joint Committee on Reduction of Nonessential Federal Expenditures may report, we shall soon have to do something. I thought it would be well to begin to lay the ground work and get whatever information that may be available at this time.

As chairman of the Committee on the Post Office and Post Roads, I can and do assure you gentlemen from the Post Office Department and the Bureau of the Budget that we want to cooperate with you to the fullest extent; but at the same time we want you to feel that some curb should be placed upon penalty mail and a better method should be adopted to handle that kind of mail than we have at present.

With this statement, let us hear the representative of the Bureau of the Budget.

STATEMENT OF FREDERICK J. LAWTON, ADMINISTRATIVE ASSISTANT, BUREAU OF THE BUDGET

The CHAIRMAN. Let us now hear Mr. Lawton, of the Bureau of the Budget.

Mr. MASON. May I ask a question at this time?

The CHAIRMAN. Yes.

Mr. MASON. I note that the report of the Postmaster General under date of December 4, 1943, on the pending bill, which report is approved by the Bureau of the Budget, as I understand, says that "The results which it is desired to accomplish, may be accomplished in less burdensome ways." There are no less burdensome ways pointed out in this letter, therefore it seems to me that the representatives of the Post Office Department, when they speak here,

should be prepared to give us definite statements as to what less burdensome ways there are to accomplish our objective.

The CHAIRMAN. That is what I have been trying to state. We feel that some more businesslike method of handling penalty mail should be evolved and adopted and that some curb should be placed upon this class of mail. If this pending bill is too cumbersome and does not reach the desired end, we want the representatives of the Post Office Department and the Bureau of the Budget to suggest something that will effect that end.

I understand that the Bureau of the Budget has been giving this subject considerable attention and study; and the members of the committee would like to know what you have found, and for you to make any suggestions that you think would be helpful to the committee in its consideration of the subject.

We should like to have something along that line.

Mr. LAWTON. The Bureau of the Budget expected to make a considerable study of this subject by reason of an amendment to the Treasury Department-Post Office Department appropriation bill attached in the Senate. That amendment was not finally adopted, and the duty of investigating penalty mail was placed on the Joint Committee on Reduction of Nonessential Federal Expenditures headed by Senator Byrd.

The Bureau of the Budget, and I suppose the Post Office Department, felt that when this direction was given to the Joint Committee on Reduction of Nonessential Federal Expenditures that we would await any call from it to render assistance, and we proceeded no further at that time.

Recently we have been asked to make comments to the Byrd committee and have therefore made a brief and hasty study of the subject.

Generally, we find from the Departments that they all feel, and we agree, that any additional controls required by the payment for mail through stamps, meters, or otherwise would entail additional work, particularly so because at this time, due to a shortage of critical materials, it is doubtful whether an adequate number of meters or mechanical devices could be obtained. That would cause a great deal more handling and individual labor. We have not been able to determine whether that cost would be greater than the savings that might result to the Post Office Department in the handling of less mail.

Undoubtedly there is some mail being sent out that is unnecessary. On the other hand, the greater volume by far of the increase in penalty mail has been due to war conditions.

I have some figures with me as to the increase in volume from 1940 to 1943, and I will read the names of the agencies and the volumes of mail they are sending out annually. Selective Service, including induction notices, and so forth, 222,000,000 pieces; allotments to dependents and bonds (armed forces) 80,000,000 pieces; War Savings bonds, 75,000,000 pieces; War Production Board, forms and questionnaires, 600,000,000 pieces; other war agencies, forms and questionnaires, 14,000,000 pieces. Those make a total of 991,000,000 pieces.

Then there are other activities that existed prior to the war that have expanded very much due to the war. I will give you some figures in connection with them. Invoices and disbursements, armed forces, 19,000,000 pieces; tax forms and invoices, Internal Revenue

Bureau, 234,000,000 pieces; disbursements by the Treasury Department, 44,000,000 pieces; an additional total of 297,000,000 pieces.

There are other large mailers of penalty matter whose volume has not expanded during the war period but who handle a considerable volume of such mail.

There are the Veterans' Administration and Railroad Retirement checks, 15,000,000 pieces; old age and survivors insurance payments, 8,000,000 pieces; and publications sold by the Superintendent of Public Documents, 46,000,000 pieces; making a total of 69,000,000 pieces.

The total pieces involved in these three categories are 1,357,000,000, or nearly 70 percent of the total, by volume, of the penalty mail handled.

Mr. MASON. Are these figures representing increases or are they for 1943?

Mr. LAWTON. They are figures for 1943.

The first two groups are largely war activities and they were not in existence prior to the war. Two agencies of the third group are old-time ones.

Mr. MASON. You have not given a basis of comparison for the amounts unless you give figures for 1940.

Mr. LAWTON. There were 999,000,000 pieces in 1940. The present figure is more than 2,000,000,000.

The CHAIRMAN. What about other departments, such as the Department of Agriculture, the Department of the Interior, the Department of Commerce? Have you their figures?

Mr. LAWTON. We did not gather complete figures. As a matter of fact in the larger agencies more accurate figures are obtainable because they have established mail controls. In the older departments and independent agencies the figures were not so accurate as we would like and we did not go into them very deeply. Those agencies I mentioned transmit the bulk of this class of mail.

The CHAIRMAN. We will not conclude these hearings today or tomorrow, therefore I am asking if you can get those figures within the next few days.

Mr. LAWTON. Yes; if they are available.

Mr. MASON. Has there been any particular increase in penalty mail in the regular Departments and independent agencies which have little or nothing to do with the impending war?

Mr. MILLER of Connecticut. I suggest that the figures the gentleman is going to try to get cover 10 or 15 years, if possible.

The CHAIRMAN. Very well.

I want to ask you a question. I see the trend of your statement. Do you think that penalty mail should continue to be handled as it is or do you think there should be some restriction imposed upon its use?

Mr. LAWTON. There is now restriction to quite a degree.

The CHAIRMAN. In what way?

Mr. LAWTON. The great bulk of publications mailed out are paid for from the appropriations for printing and binding.

The CHAIRMAN. But the departments and agencies do not have to justify their distributions of these things and their expenditures on account of handling them.

Mr. LAWTON. That is true.

Mr. MASON. Your idea, however, is that the Congress has a check in its own hands, in that it can limit the amount of appropriations for printing and binding for these various Departments and independent agencies.

Mr. LAWTON. In part it has that as to publications.

As a further check on publications the Bureau of the Budget and the Office of War Information are now requesting that each publication of any moment, be cleared through them before it is published. It must be passed upon by a committee and cannot be printed or distributed unless approved.

Mr. ROWE. You have just referred to the Office of War Information. In presenting its requests for appropriations one would believe that the success of the war depended upon whether or not that agency got the money for which it is asking.

You say that the Congress is in position to control how much such mail is sent out by restricting the appropriations for printing and binding.

Mr. LAWTON. I said that the Congress may control the volume of printing and binding and one cannot mail that which is not printed.

Mr. ROWE. How can the Congress do that if permission to print and mail clears through a departmental committee with which the Congress has nothing to do?

Mr. LAWTON. Even if the committee should approve a publication for circulation, it could not be circulated unless there were funds to print it.

The CHAIRMAN. Referring to penalty mail, I have a statement of comparison of commercial-rate cost of penalty mail from the fiscal year 1932 to 1943, inclusive. The statement shows for 1932, \$9,155,-899; for 1933, \$14,315,414; for 1934, \$23,094,882; for 1935, \$31,281,-600; for 1936, \$23,236,269; for 1937, \$34,081,927; for 1938, \$35,690,-807; for 1939, \$38,231,125, for 1940, \$41,533, 510; for 1941, \$51,557,-496; for 1942, \$71,924,122; and the estimate for 1943 is \$103,000,000. You will notice that even before the war came upon us, there was an ever-increasing volume of such mail; and it has been growing all the time, just like a snowball rolling down a hill.

Mr. MILLER of Connecticut. If you could see our wastebaskets every morning you would know that most of such mail finds its way to our wastebasket without being read. It is thoroughly valueless, a complete waste of money, for any purpose whatever.

The CHAIRMAN. And in some field activities the local offices are loading down the mails with material that they mimeograph in great quantities.

Mr. LAWTON. A good many of the field offices of departments and independent agencies are required to mail a great many items.

The CHAIRMAN. Do you think they should be allowed to mail everything that some employee without authority might write?

Mr. LAWTON. No.

The CHAIRMAN. How would you control that volume?

Mr. LAWTON. The method by which it is proposed to stop it is the same method by which you would now decide whether they ought to have sufficient paper or printing money to produce that material. You would have to decide.

The CHAIRMAN. If we can restrict the amount of penalty mail being sent out we can thereby save a great deal of paper. We are talking

about costs. I think savings will be effected by a restriction of this class of mail. With the departments and agencies as they are, they can rearrange their forces so that they can practically do this work and get out this necessary mail at little additional cost. So far as the meter machines are concerned, they run fast and the Departments could, if they tried hard, utilize them. And we could extend the permits further. We can do several things we should do if you gentlemen will get busy and cooperate with us to correct this very, very bad condition.

Practically every State in the Union operates with meters; all the large mail-order houses and manufacturing concerns do the same. They have restrictions on the mail—the amount that goes out and how it is used. Why should we not have the same method?

Mr. LAWTON. In many instances there are controls set up in departments and agencies for the purpose of controlling the distribution of mail—material sent out by the departments and agencies.

Mr. MILLER of Connecticut. Can you tell us some of the restrictions imposed by departments and independent agencies upon this class of mail going out?

Mr. LAWTON. I think so.

Mr. O'BRIEN. Where do the departments and independent agencies get the penalty envelopes they use?

Mr. LAWTON. Generally they are bought, or most of them are, under a Post Office Department contract by the departments dealing with the contractor. The quantity involved is not definite.

Mr. ROWE. The Department—the Post Office Department negotiates a contract for such envelopes and the other departments and independent agencies then order from that contractor according to their needs; is that the idea?

Mr. LAWTON. Yes.

Mr. O'BRIEN. Would it not be an improvement if the Post Office Department itself acquired all the penalty envelopes and distributed them, so that there would be an accurate record of their use?

Mr. LAWTON. We think that considerable improvement could be effected in ordering and contracting for penalty envelopes. It might be advisable to have a control over the number that could be purchased.

Mr. MILLER of Connecticut. Is the penalty stamp placed upon the envelopes by the Post Office Department?

Mr. LAWTON. No; it is on the envelopes when they are received from the contractor.

Mr. HAGEN. The government departments and independent agencies themselves do not contract for these penalty envelopes, as I understand you.

Mr. LAWTON. No; the Post Office Department lets the contract for them. The departments and independent agencies order under the contract made between the Post Office Department and the contractor. The contract does not call for a definite quantity of such envelopes; it is based upon an estimate.

Mr. HAGEN. Do they always get these envelopes through the Government Printing Office?

Mr. LAWTON. No, sir.

Mr. HAGEN. There might be a way of restricting the use of these penalty envelopes by clearing them through the Government Printing Office.

Mr. LAWTON. We think the proper place to clear them is through the Post Office Department by a more accurate forecast of the needs of each Department and Agency.

Mr. MASON. I do not like the word "forecast." I think there should be a definite limitation placed by the Post Office Department upon each Department and Independent Agency according to their past needs, so that the Post Office Department could say a Department or Agency could not have more than a certain number for, say, a year.

Mr. HAGEN. Would it be possible to do away with stamps and meters by placing the ordering of these penalty envelopes with The Government Printing Office? Why not count the number of penalty envelopes a Department or Agency used for, say, 6 months and take that as a basis for mailing for a period? In accordance with that plan it would not be necessary to use meters or any other method, since the Government Printing Office count would be accurate. A department or independent agency would be charged with so many penalty envelopes and at the end of 6 months it could be shown how many were unused; and that would not require a great deal of extra work.

The CHAIRMAN. So many penalty envelopes could be charged to a department or agency just like the Post Office Department charges stamps and postal cards to postmasters.

Mr. HAGEN. Many departments and agencies throw away many of these penalty envelopes. They order too many of them. If they had to account for all of them they would not order so many and then throw them away.

I notice that the last paragraph of the report of the Postmaster General on the pending bill says that "It has been ascertained from the Bureau of the Budget that this report is in accord with the program of the President." I see that very often in connection with reports on bills; or sometimes it is said that the proposal is not in accord with the program of the President. I am wondering just what that means. Does the President know about this matter, or do those who set up this program know about it? Just what does that quotation mean?

Mr. LAWTON. In answer to the question "Does the President know about it?" The answer is "Yes." The subject was discussed with him at some length when the original amendment was proposed to the Treasury Department-Post Office Department appropriation bill last spring. The statement means that it is the administration view that at this time it would not be wise to require the payment of postage on this class of mail.

Mr. HAGEN. We are not necessarily asking for that.

Mr. LAWTON. You asked me what the statement meant.

Mr. HAGEN. We are asking for methods of curtailing this mailing and thereby effecting economy.

Mr. LAWTON. That statement relates to this bill.

Mr. O'BRIEN. You have told us that you are going to give us some figures on how much mail is used by each Department, the information to be broken down.

Mr. LAWTON. Yes; if it is available.

Mr. O'BRIEN. What will be the source of that information; has the Post Office Department a record of each department's mailings?

Mr. LAWTON. We shall have to try both the Post Office Department and each department and independent agency concerned. I do not believe that there are many accurate records of that.

Mr. O'BRIEN. Do you not think the absence of an accurate record of mailing of penalty material shows an administrative defect?

Mr. LAWTON. Not necessarily. It would cost a lot to maintain such a record. If the cost of maintaining such a record is excessive and it would not materially reduce government costs as a whole, I would not be in favor of maintaining such a record.

Mr. O'BRIEN. The Post Office Department could contract for penalty envelopes and issue them, thereby we would know how many each department and independent agency used.

Mr. LAWTON. It would be a check on how many were used, but whether they were used for transmission of mail is another question. Such envelopes are used to transmit mail carried by messengers within departments and agencies and between departments and agencies. In other words, they are used in internal administration. Of course, a different kind of envelope than a penalty envelope could be used for that purpose. There are several classes of mail and you would have a series of classes of envelopes to be kept segregated as stamps are segregated. There would be circulars, first-class mail and so forth.

Mr. ROWE. What are the categories of penalty mail?

Mr. LAWTON. Practically all penalty mail goes first-class.

Mr. ROWE. Beyond that what is there?

Mr. LAWTON. I am not familiar with that. There are, of course, other classes of mail, but I believe that first-class mail is the most widely used.

I am assuming that if you paid postage at the regular rates, you would class the mail as local, intercity, or interstate. Mail would be handled also by messengers from one branch of a department to another, which mail does not go through the post office.

Mr. ROWE. I had thought there were many categories of such mail.

Mr. LAWTON. Practically all penalty mail goes in an envelope or under a label. The theory of the bill is that you pay for it. I do not understand there would be mail without payment.

Mr. ROWE. The issuing of the penalty envelopes would be a manner of control, would it not?

Mr. LAWTON. Supervision over issuing of envelopes would be a control whether or not payment is involved.

Mr. MADDEN. Why use a penalty envelope to transmit interdepartmental mail?

Mr. LAWTON. Most letter-size envelopes used are penalty to avoid having several types of stock on hand. It is a simpler proposition from the viewpoint of stockkeeping.

Mr. MADDEN. Any kind of envelope could be used to transmit interdepartmental mail, could it not?

Mr. LAWTON. Yes.

Mr. MILLER of Connecticut. I should like to have you comment on section 6 of H. R. 2001. I refer to that portion at the top of page 3 of the bill. Do you think that provision would effect a saving?

Mr. LAWTON. Outside of certain exceptions the Congress has placed in law, that, substantially, is present law.

Mr. MILLER of Connecticut. How do I get so many periodicals, and so forth, through the mail without asking for them and which are absolutely of no use to me? I never look at any of them. I have a stack a foot high in my office now, and I did not ask for any of them. I do not give any consideration whatever to such trash. If

I want a report from a Government department, but am not interested enough to telephone for it, I do not want it very badly. Many of those publications that are sent to Members of Congress are very expensive, but I have to throw them away because they are absolutely worthless to me. I do not think that any Government agency should send anything that is not requested.

Mr. LAWTON. That is the purpose of the existing law.

Mr. MILLER of Connecticut. Is there a law against a department or independent agency sending out something that has not been requested?

Mr. LAWTON. Yes; there is.

Mr. MILLER of Connecticut. If that be true, the law is being violated every day by very many departments and independent agencies of Government.

Mr. LAWTON. I believe you will find that law in the Treasury Department-Post Office Department Appropriation Act of 1940. There are some exceptions, such as libraries, State and local governments.

The CHAIRMAN. The law to which you refer has been, practically speaking, broken down.

Mr. LAWTON. Congress made many exceptions to it.

Mr. COLE. Do you not think it would be helpful if the various departments had to account for their mailings in a way that would obviate duplication? I have in mind a newspaper publisher in my district who received the same information from different departments, many times in the same mail and on the same delivery. If the various departments and independent agencies were held accountable for the postage they use, do you not think that would prevent duplication and burdening of the Post Office Department by carrying mail of this kind?

Mr. LAWTON. It would, sir, if the amount of money given to them to pay for mailing was sufficiently low, so that they would have to be extremely selective as to the type of things mailed. It would not cure the duplication of sending the same documents by two departments. It would require considerable work in each department or agency to know what was being mailed elsewhere.

Mr. COLE. I receive many complaints from publishers in my district that they are getting bulletins, pamphlets and books from departments and agencies that they do not want. They get much of that continually. One publisher said he would keep an accurate record and let me know in pounds how much such material came to him. If the departments and independent agencies had to pay postage on that material, do you not think it would be eliminated?

Mr. LAWTON. I think they would cut it out in most cases if the senders were advised that the material was not wanted. We will do our best to have such a practice discontinued, if you will advise us where it is being done.

Mr. MILLER of Connecticut. Not so long ago a man in the National Press Building here in Washington asked me to see how much mail he was receiving. He received 312 pieces of mail between the time he opened his office and noon. He received 7 copies of 1 press release from 1 agency. Some were marked for future release, some for immediate release. Those 7 releases were in 7 different envelopes. That recipient did not even read them, but sent them to me. That was during the campaign. I suggest that you go to the National Press

Building, where so many newspaper men have their headquarters, to see the very great waste and abuses of the mails.

Mr. HOLIFIELD. I want to comment upon the statement of the witness in regard to breaking down the classifications of mail into local, intercity, interstate. As I understand penalty mail goes out under one stamp. There is no break-down of it. I am very much interested in the suggestion of Mr. Hagen from the standpoint of simplification, if these different departments were called upon to justify the number of pieces of mail. It is a fact which most postal employees will verify that one can handle a 3-ounce letter as easily as a postal card. There is not a great deal of difference in the difficulty of handling that mail. There is a difference of weight and transportation; but it seems to me that the purpose of the bill is to cut down the number of pieces mailed. How can we do it without going into all these classifications, such as intercity and outcity? By making each department justify the number of pieces sent during a current year based upon a past record, there would be opportunity for a control and minimizing of use of the mail without going into the trouble of having stamps and financial allocations and canceling machines, and so forth. What comment have you on that method of control?

Mr. LAWTON. That possibly would cut down the number of mailings. That is as to letter mail. You have the problem of larger mailings in packages from 4 pounds in the field to 70 pounds from Washington, which would be labeled. It is questionable whether you would control it. A person might have 60 pounds of material to mail or, rather, two 30-pound packages to mail. If he had only one label he might mail both in one package. There is that problem of controlling the mailing of heavy packages, which are not envelope mail. They are sent under penalty labels.

Mr. HOLIFIELD. You told us a little while ago that you thought this matter could be controlled by limiting the appropriations for printing and binding; but, obviously, if a department has, say, a million pamphlets printed, it is going to mail them. It is your thought that if the Congress would control the appropriations for printing and binding that would automatically control the book-type of penalty mail.

Mr. LAWTON. Yes; the printed type.

The CHAIRMAN. If this bill is not workable, the committee would like to have information as to how a real control of penalty mail may be effected. The departments and agencies should be required to justify in some way their use of penalty mail.

Mr. ROWE. It is not the purpose to push this bill if a satisfactory substitute method can be devised, as I understand.

The CHAIRMAN. That is right.

Mr. PRICE. I am interested in the thought that it might be well to have the departments and independent agencies of Government apply to the Post Office Department for their penalty envelopes. This further thought has come to me: It might be well to require each department or independent agency to submit to the Post Office Department a sample of the material proposed for mailing, so that it could be determined whether there would be duplication in mailing. That might be worth looking into, to determine whether three or four departments were sending out the same thing to the same persons.

Mr. LAWTON. I have nothing further to offer.

Mr. MASON. May I summarize by saying that we have before us a problem of penalty mail increasing from \$9,000,000 to an estimated \$103,000,000 in 12 years. That is a real problem. The representative of the Bureau of the Budget has suggested one way in which we can find a less burdensome way to do it than this bill proposes—namely, by cutting down the appropriations we give these various departments and independent agencies for printing and binding.

The CHAIRMAN. The item "Printing and binding" is not a lump sum. Practically every department and agency has an appropriation for that purpose.

Mr. MASON. To whom do we give an appropriation for printing and binding?

The CHAIRMAN. Each department and independent agency receives such appropriation; but there is no appropriation to the departments to cover the expense of sending out penalty mail. They are not now required to justify those expenditures.

Mr. MASON. The witness has suggested that the only restriction he has to suggest for minimizing penalty mail is to have the Congress cut down on the sums appropriated for printing and binding, which would automatically stop the printing of material sent out in such wholesale amounts. That is the only suggestion I have gathered from his statement.

Mr. MILLER of Connecticut. At the same time you are trying to get the increased use of penalty mail in the old-line departments and agencies, it might be well to get figures covering the increase in franking of mail of Members of Congress. We want to be sure that our own hands are clean. I know as a positive fact that the records show there has not been in franked mail anything like the increase shown for penalty mail. I would like to know whether there is in fact an abuse of the franking privilege. No doubt there is some such abuse, but I do not think it is much.

The reason I voted against the amendment in the House was I did not want to be found in a position where I wanted to frank my own official mail and then say that the President of the United States should not be allowed to frank his own mail.

Mr. ROWE. I think Mr. Mason made a mistake a little while ago when he said the Bureau of the Budget made such-and-such a recommendation. He was referring to the Post Office Department, I believe.

Mr. MASON. But the Bureau of the Budget has approved the recommendation of the Post Office Department on this pending bill.

Mr. ROWE. The representative of the Bureau of the Budget now recommends a control of penalty mail by decreased appropriations for printing and binding. Has the Bureau of the Budget ever made such a recommendation to the Congress?

Mr. LAWTON. We have recommended increases and decreases in the appropriations for printing and binding.

Mr. ROWE. Do you know whether the recommendations of the Bureau of the Budget have been carried out?

Mr. LAWTON. I could not say offhand.

There are several hundred appropriations and allotments available for printing and binding.

Mr. ROWE. Has a recommendation for decrease of these appropriations for printing and binding come from the Bureau of the Budget to the Congress?

Mr. LAWTON. As I have said, we have recommended increases and decreases in connection with that appropriation item.

Mr. ROWE. Would you say that substantially whatever the Congress has done in connection with the appropriations for printing and binding has been due to recommendations of the Bureau of the Budget?

Mr. LAWTON. Yes; generally.

Mr. HOLIFIELD. What control does the Bureau of the Budget exercise over these requests of the departments and independent agencies for printing and binding appropriations? Do you go into them at some length and make them justify their requests?

Mr. LAWTON. Their requests usually are accompanied by a list of the particular items that they desire to print, giving size, frequency of issue if a periodical, and if a book, the number of copies and pages of a particular issue. We examine it and use our best judgments as to whether the amount requested should be granted.

For a great many items, for example, the revenue tax forms, and so forth, incident to new tax legislation, we have to take the word of the Bureau of Internal Revenue. There are many millions of those forms and invoices.

The bulk of the Government printing consists of forms, checks, and so forth—not publications.

Mr. COLE. You have told us that there are several hundred appropriations for printing and binding. If that be true, why do you say that a curtailment of those appropriations is the easiest approach to a solution of this evil? In reporting out a bill this committee by one operation could require all these various departments and independent agencies to meet a uniform standard, and do you not think that would be simpler than going through these hundreds of printing and binding appropriations trying to convince the departments and independent agencies that they are not entitled to that for which they ask?

Mr. LAWTON. The Congress passes on those appropriations for printing and binding every year. The appropriations are made annually and they are reviewed by the House and the Senate committees and acted upon by the Congress every year. This new method would add expense at this time.

Mr. COLE. How'do you mean there would be added expenses?

Mr. LAWTON. Naturally, if you desire to establish these controls it requires added costs. The minute you make additional records it takes additional manpower.

Mr. MASON. Is the Bureau of the Budget prepared to say that the added cost in effecting these restrictions would amount to half of the \$103,000,000 or one-fourth of the \$103,000,000, or any other amount of it, so that we would know the savings involved?

Mr. LAWTON. No; we have no knowledge of what the difference would be.

The CHAIRMAN. As one member of the committee, while that would be helpful—to reduce the appropriations for printing and binding—I do not think it would meet this condition, as I see it. I would not be inclined to accept that process alone. We have to face the Congress soon in connection with this matter. I am going to try to be as reasonable as possible in meeting the condition we face; but if we do not do something reasonably soon we will have the same condition we had when the Post Office Department appropriation bill came up before, or something even worse. That is my considered

judgment. We have got to get to work on this matter and work out something that will require these departments to give an accounting for the large quantity of penalty mail being handled.

Mr. LAWTON. Under normal circumstances, I do not believe the Bureaus' position would be particularly adverse to a charge for penalty mail; but we think that a great deal of this talk about \$100,000,000 worth of penalty mail in 1 year gets the picture rather out of focus. Government expenditure in 1932 were \$4,000,000,000 or \$5,000,000,000 and now they are \$100,000,000,000. That increase is as much in proportion as has been the increase in cost of penalty mail.

Mr. MILLER of Connecticut. There were very large increases in penalty mail prior to 1939. In 1933 the cost was \$14,315,414 and in 1938 it was \$35,690,000. In 1932 this cost amounted to only \$9,000,000.

Mr. LAWTON. We had new activities before 1939. In 1935 we took on the social-security work.

Mr. MILLER of Connecticut. But you cannot charge all of this to war activities.

Mr. LAWTON. The bulk of present penalty mail is incident to war or induced by war expenditures.

Mr. MILLER of Connecticut. Do you challenge the figures the chairman just read?

Mr. LAWTON. No; I do not. I am talking about the figure \$103,000,000 that is being used to represent penalty mail for the current fiscal year or 1943.

The CHAIRMAN. We know that is the case to a certain extent. I do not think it is true all the way through, though. Ten years ago this expense was pushing and pulling upward all the time. The expense kept ever mounting.

We do not want to retard the work of the War and the Navy Departments at all. I think that during this emergency we probably could be lenient with them in connection with their handling of such mail. We want to arrive at a proper conclusion without retarding their work; but I do not think we are justified in letting this continuing increase of penalty mail go on in other departments and agencies.

Mr. LAWTON. There is a possibility of classifying the types of mail that would or would not be admitted free of postage. For example, the Treasury Department disbursing office has no control over the number of checks it must mail. It gets vouchers and bills and must mail checks to the payees. Again, the Bureau of Internal Revenue has to mail bills to taxpayers.

The CHAIRMAN. The Treasury Department might have to get a deficiency appropriation, but it can make a reasonably close estimate of its needs. It can base its estimates upon the past records, and will know what the increase in taxes will be. It could come quite close to its actual needs. I do not see any reason why it should not be made to justify its use of penalty mail.

Mr. LAWTON. Their justification is based upon what agencies tell them they will have. They can base it upon their own experience and come in for a deficiency if they have to. I am talking about checks.

Mr. MILLER of Connecticut. How about forgetting the penalty mail carrying checks and other things that business houses consider to be first-class mail, and impose a restriction upon second-class and inferior mail matters sent under penalty envelopes or labels?

Mr. LAWTON. You are considering all bulk mail?

Mr. MILLER of Connecticut. Yes.

Why not let checks from the Veterans' Administration and elsewhere and other first-class mail in the Government go under penalty envelopes, and stop this promiscuous sending out of material throughout the whole country which nobody wants by making the departments and independent agencies pay postage on it? Would it be feasible to try to break that down into classifications?

Mr. LAWTON. I would rather you ask a representative of the Post Office Department about that.

Mr. ROWE. Could there be any doubt about the estimate of penalty mail?

Mr. LAWTON. We can probably make as good an estimate of that as of many items.

Mr. ROWE. We want an estimate of the requirements. There is no objection to speculation in that direction, is there?

Mr. LAWTON. No.

Mr. MCKENZIE. It seems to me that this matter comes down to a differentiation between what is necessary business mail, like first-class mail, such as checks, and so forth, and what is propaganda designed to promote the particular interest of a person or group and not to promote the public interest, being a nuisance for the most part. It seems to me that this is something we should try to ascertain now. I have in mind a recent column in a newspaper in my district wherein the editor commented that "this morning's mail brought me more than 2 pounds of Government propaganda mimeographed and marked 'important special releases' and so forth, just as if we did not know the difference between propaganda and news." I think that is the crux of the situation.

Mr. MILLER of Connecticut. That is where the increase in use of penalty mail comes from.

Mr. MASON. We hope the report of the Byrd committee will show that.

The CHAIRMAN. Are there any further questions of the witness? [Apparently not.] We are much obliged to you for coming here; and we hope that you will continue to study this matter.

I suppose it will take you until next week to get the information for which the committee has asked.

Mr. LAWTON. If it is available. It will take at least a week to get it.

The CHAIRMAN. We are not going to hurry this matter too much; and we will not call you back before next week.

(Thereupon the committee at 11:50 a. m., Tuesday, December 7, 1943, adjourned, to meet at 10 a. m., Wednesday, December 8, 1943.)

PENALTY MAIL

WEDNESDAY, DECEMBER 8, 1943

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE POST OFFICE AND POST ROADS,
Washington, D. C.

The committee this day met at 10 a. m., Hon. Thomas G. Burch (chairman) presiding, for further consideration of H. R. 2001.

STATEMENT OF SMITH W. PURDUM, SECOND ASSISTANT POSTMASTER GENERAL

The CHAIRMAN. We have with us this morning several representatives of the Post Office Department, including Mr. Purdum, whom we will hear first, if he desires to be heard.

Mr. PURDUM. Mr. Chairman and members of the committee, Mr. Walker, the Postmaster General, asked us to express his regret to you because he is unable to be here this morning. He is absent from the city.

Mr. MASON. It should be said that he sent some very excellent substitutes.

Mr. PURDUM. Thank you.

I will give the names and positions of those who accompany me here this morning. Mr. Ramsey S. Black, Third Assistant Postmaster General, under whose Bureau this matter comes; Mr. Joseph F. Gartland, Director of the Budget and Administrative Planning; Mr. Nelson B. Wontzel, Deputy Third Assistant Postmaster General; and Mr. John J. Haggerty, Comptroller. These gentlemen are prepared to answer any questions that may be asked by gentlemen of the committee. We desire to render every assistance possible, Mr. Chairman.

The CHAIRMAN. We are very sorry that the Postmaster General cannot be with us this morning; but, as has been suggested, the Department certainly has some excellent representation. I am very sure that the members of the committee are well satisfied with the representation of the Post Office Department here this morning.

Mr. PURDUM. Thank you.

It is suggested that you first hear Mr. Black.

The CHAIRMAN. We shall be glad to hear him.

STATEMENT OF RAMSEY S. BLACK, THIRD ASSISTANT POSTMASTER GENERAL

The CHAIRMAN. Mr. Black.

Mr. BLACK. Mr. Chairman and members of the committee, I am sure that Mr. Purdum has told you and shown that we as representatives of the Postmaster General are very willing to cooperate with the committee in any manner; and we shall be glad to give answers to any questions that may arise during the hearing.

In connection with the letter sent to Mr. Burch, reporting on H. R. 2001, Mr. Mason yesterday called attention to the fact that the Department did not make any suggestions for a cure of the condition which you are now considering.

I am going to read, if I may, six points that we think will overcome, or help to overcome, the problem before you.

The first suggestion is that you require all penalty envelope indicia to be secured or accounted for through the Post Office Department.

Second, we suggest that the Post Office Department report to the Congress and the Bureau of the Budget 60 days after close of a year the number of all envelopes, labels, cards, and other forms of penalty indicia used by each department and independent agency.

Third, we suggest that there be a cost ascertainment to determine the volume and the cost of handling penalty mail by classes, mailed by each department and independent agency, and that a report be made of same to the Congress and the Bureau of the Budget, at the time of reporting the number of penalty envelopes, and so forth, in accordance with the second suggestion.

Fourth, it is suggested that the Congress abolish the 4-pound exemption for official matter at Washington.

Fifth, it is suggested that you authorize the Postmaster General to refuse matter which can be sent other than by mail at less expense.

Sixth, it is suggested that you permit departments and independent agencies to place penalty indicia on official matter only under rules as may be issued by the Postmaster General, such mailings to be included in reports to the Congress and the Bureau of the Budget.

The CHAIRMAN. What did you say about abolishing the 4-pound exemption for official matter at Washington?

Mr. BLACK. The fourth suggestion is that you abolish the 4-pound exemption for official matter at Washington. In other words, they can now mail written or printed matter up to 70 pounds in Washington.

The CHAIRMAN. That would cause such matter to be transported other than through the mails.

Mr. BLACK. Yes.

Mr. O'BRIEN. Would that require legislation?

Mr. GARTLAND. I will go into each one of these matters Mr. Black has touched upon.

Mr. MASON. Before you do that I want to say that these six specific suggestions are, in my opinion, very sound. They cover the problem we have and I, personally, am gratified that the Post Office Department has presented them as briefly and as efficiently as it has.

The CHAIRMAN. I am glad you feel that way about it. I think they are very helpful suggestions; and I am sure the committee will be very much pleased to give them thoughtful and mature consideration.

Mr. GARTLAND. The Post Office Department is very much concerned about the matter of penalty mail, as you know. Throughout the years the Committees on the Post Office and Post Roads of the House and the Senate have made careful studies of this subject and much good has been accomplished; but now the World War comes on and we find our difficulties in this connection multiplied and conditions so much changed that this condition is so serious that now is an opportune time to make corrections.

We in the Post Office Department—the management part of it—look upon you gentlemen as the board of directors that, possibly, will put some of these ideas into effect if you believe they are sound.

I do not think it is necessary to discuss H. R. 2001, unless you wish me to do so.

The CHAIRMAN. That will not be necessary.

Mr. GARTLAND. Therefore I shall go on with the matters Mr. Black has presented.

The first point is that we suggest that you require all penalty envelope indicia to be secured or accounted for through the Post Office Department. At present all the Post Office Department does is to act as the purchasing agent for all the departments and independent agencies in purchasing penalty envelopes. For instance, something like this can happen and it does in wartime, though it is not so serious in peacetime—the Post Office Department purchasing agent believes we require, say, 400,000 envelopes of a certain make and size. He will order that many after consultation with the proper representatives of the various departments and independent agencies. He has nothing to do with requisitioning those envelopes in accordance with the contract. All he does is to send out proposals with specifications and the envelope manufacturers submit bids, the lowest satisfactory one getting the contract. There is nothing to prevent, in a contract of that size, an agency ordering 14,000,000 envelopes, which is a serious thing, as you can see.

Moreover, the Post Office Department has nothing to do with penalty labels. Any department or independent office can print as many penalty labels as it wants to print and use them. The Post Office Department has no record of what may be done in that way.

And the Post Office Department has nothing to do with the printing of penalty post cards. There is a certain class of mail in connection with which a department or independent office will print on it "Official business. Penalty for private use \$300." Nobody except the department or independent office printing and using them has any control over that. And the postmasters are required to accept that mail.

The Post Office Department does not feel that it is in position to criticize any penalty mail issuing from any department or independent office. We assume that such mail is necessary in the transaction of its business. But the Postmaster General in 1940, when he first came to the Department, became much concerned about the large quantity of penalty mail going through the mails, as a result of comments in the Congress about it; and he called a meeting of the representatives of various departments and independent offices in order to make some provision for limiting or getting this matter in better shape. Not much was accomplished by that meeting, except that the departments and independent offices appeared to be astounded by the vast quantity of penalty mail being sent.

Therefore, the Post Office Department feels that if there is some check, some count, some record of the penalty envelopes, labels, cards, and indicia printed and used, it can make reports to the Congress every 6 months or every year showing exactly the amount of envelopes, labels, and cards ordered. Mr. Black made an excellent suggestion

in regard to that. He did not speak of it here this morning, though; but he thinks that we should require an inventory of envelopes in each department and independent office. And I think that same procedure was suggested here by a member of the committee yesterday.

The CHAIRMAN. The thought is that there should be an inventory in each department and independent office at the end of each year?

Mr. GARTLAND. Yes. The difference between the showing at the inventory and the number purchased would be approximately the number of mailings an agency had made.

Mr. MASON. Would it, in your opinion, require legislation to effect the first suggestion you make?

Mr. GARTLAND. Yes; I believe it would.

The CHAIRMAN. The Post Office Department will have the backing of this committee in its suggestions to correct this condition.

Mr. GARTLAND. I am not, understand, referring to franked matter. Yesterday a member of the committee asked about the quantity of franked matter. I have a statement as to that and shall be glad to have it made a part of the record.

The CHAIRMAN. We shall be glad to have it.

Mr. GARTLAND. In 1926 there were 32,733,617 pieces; in 1943 there were 29,248,405 pieces; in 1940 there were 44,975,397 pieces. The most pieces were sent in 1927—50,487,129.

We have no difficulty with franked matter. It is decreasing rather than increasing.

The CHAIRMAN. If you have any suggestions concerning possible abuses of the franking privilege, I am sure members of the committee would be glad to hear them. If you can think of a better administration in this connection than we have, we shall be glad to hear it, even though that matter is not covered by the pending bill. If you do not care to make a statement about franked mail, that will be all right, unless we decide to consider the subject later.

Mr. GARTLAND. You gentlemen have always asked us to be perfectly frank and we will be.

In connection with franked matter—and I am sure Mr. Black and Mr. Wentzel will bear me out in this statement—instead of having to watch it very closely we find that Members of the Congress call upon the Post Office Department for information when they have any doubt as to what matter may properly be mailed under their franks.

From time to time envelopes get into the hands of those who do not use them judiciously, but that is corrected quickly. You can see by the report I am submitting that franked mail is decreasing rather than increasing; and we do not believe there is need for anything to be done in connection with it at this time.

The third suggestion by Mr. Black is that there should be in the Post Office Department a cost ascertainment to determine volume and cost of handling penalty mail by classes, mailed by each department and independent agency, and there should be a report of same to the Congress and the Bureau of the Budget at the time of reporting the number of penalty envelopes, labels, cards and indicia in accordance with the second suggestion. At the present time we do that for the Government departments and agencies as a whole, but not by departments separately. We have a report of that for inclusion in the record.

The CHAIRMAN. We shall be pleased to have it.

Mr. GARTLAND. In 1926 there were 456,104,444 pieces; in 1934 there were 666,512,668 pieces; in 1935 there were 772,097,545 pieces; in

1938 there were 1,047,098,283 pieces; in 1939 there were 1,222,322,331 pieces; in 1941 there were 1,294,098,063 pieces; in 1942 there were 1,696,534,969 pieces; and in 1943 there were 1,956,073,568 pieces.

Mr. COLE. Thus far in 1943?

Mr. GARTLAND. No; these years refer to fiscal years. The fiscal year 1943 ended June 30, 1943.

Mr. MASON. Is that information broken down among departments and independent agencies or is it the total sum?

Mr. GARTLAND. It represents the total, exclusive of the Post Office Department. It would cost considerable money to break that down; but it might be worth while to do so.

Mr. MASON. Yes; to see which agencies and departments have been excessive.

Mr. GARTLAND. It might be gone into far enough to break it down among bureaus of a department or independent office which send out much such matter. If the Congress had a record of the penalty envelopes and labels purchased and used by each department and some bureaus within a department or departments, and in addition to that had the cost-ascertainment check that is made showing the number of pieces mailed in comparison, it would have a good idea as to just how many pieces of mail were sent out by the various departments and independent offices and know those which seem to be excessive. You could ask what they were sending out; and I think the Committee on Appropriations would be interested in that. It might, possibly, want to decrease the appropriations for printing and binding, which, of course, would be the way to properly stop possible abuses or excesses.

The Post Office Department knows of no general abuses. We do not think the penalty privilege has any inherent faults. Possibly there is mismanagement in particular cases; abuses in some cases; lack of good judgment in some cases; but we do not think that it is general.

The CHAIRMAN. We readily understand that you have no control over those wrongs.

Mr. GARTLAND. We have no control over envelopes, labels, or postcards to begin with. That, possibly, would be a very good place to start. It is anticipated that these reports to the Congress would go to the Bureau of the Budget also, so that it could make such changes as it might think necessary.

The fourth suggestion by Mr. Back was that you abolish the 4-pound exemption for official matter at Washington. There is no special reason for a 4-pound limit, except that for many years up to the beginning of parcel post, 4 pounds was the limit of weight for mailing this matter. At the present time there is a limit of 4 pounds outside of Washington. Anything heavier must pay postage. In Washington more than 4 pounds may be sent in one package. There have been instances in which departments and independent offices in the field have sent their mail to Washington to be mailed. It was sent here by freight or express to get the advantage of the extra permissible poundage. We feel that there is no more reason why the 4-pound limit should not exist in Washington the same as in the field service.

Some departments and independent offices are anxious that we permit the field governmental activities to mail parcels in excess of 4 pounds and up to 70 pounds, as in Washington. The Department has

steadfastly held to its policy except in one or two instances where a war emergency existed. I think we allowed the Selective Service System in Chicago to exceed the 4-pound limit for the field, because of the nature of the service involved; and that has been used as precedent by others in requesting the same privilege.

I understand that order of exemption has been rescinded in that single instance.

I think there was another such case. The reason was that some of the departments and independent offices were decentralized because of the exigencies of war, and we felt that since those activities in the field were in fact part of the parent department we would make an exception. I have in mind as an example of this when certain divisions of the Treasury Department were moved to Chicago.

The last suggestion by Mr. Black is that Congress permit departments and independent offices to place penalty indicia on official matter only under rules issued by the Postmaster General, such mailings to be included in reports to the Congress and the Bureau of the Budget.

We have an immense quantity of mail in the field, especially from the Department of Agriculture. We are not critical of that, because it is no doubt necessary. They take a sheet of paper and give certain data for farmers and fold it up like this [indicating], with these words: "Penalty for private use, \$300," address it, and have the return card. Here [indicating] is one of them.

THE CHAIRMAN. That, in your opinion, should be prohibited or controlled?

MR. GARTLAND. At present we permit private persons to mail matter under indicia—not penalty matter, but regular mail. We require them to get that privilege from the postmasters. They say to the postmasters, "We want the privilege of putting this indicia on our mail to show that postage has been paid." They do not have to affix stamps. The postmaster gives them a permit so to do, therefore all mail that goes through the post office under that permit must be separated into bundles and there must be a showing as to how many pieces are included. There must be an invoice on each package. The postmaster collects postage on that and the invoice is sent to Washington, where it is accounted for.

So it is with penalty matter. We could require anybody using indicia to go to a postmaster for a permit.

We do not know that this is the panacea for the difficulties in connection with penalty mail. We realize that the entire Government appropriations now are close to \$100,000,000,000 a year. Postage on penalty mail would be \$120,000,000. We want you to take into consideration that the rate of postage increased in 1932 from 2 to 3 cents. Our estimated postage on penalty mail is high on that account.

Then, too, there might be a change in mailings if we changed rates. Much matter that is sealed and which goes first-class, could, possibly, be sent as printed matter at a lower rate. The payments for postage would not necessarily be a criterion as to the amount of mail being sent out. We think, however, that H. R. 2001 has had a very salutary effect. It has caused the departments and the independent offices to look into this business carefully. Much good has been accomplished in some departments and independent offices. For instance, in the War Department, Colonel Ironsides, my predecessor

in the Post Office Department, was assigned to looking after the matter of penalty mail when he entered the Army. He probably suggested that the matter be looked into. One result accomplished is that here in Washington, where they used to send out 2,500 sacks of penalty mail a day, they now have decreased to 1,500 to 500 sacks a day, which clearly indicates what can be done if the departments and independent offices look after the handling of their penalty mail.

There is another proposal that the Post Office Department be authorized to refuse to accept penalty mail matter under such rules as the Postmaster General may promulgate when, in its judgment, such penalty mail may be sent at less expense to the Government by express, freight, or other means. It is easy to send penalty mail. One simply puts it into an envelope or attaches a label to it, and out it goes. Yet it would be much cheaper in many instances if such matter were sent by express or freight. Colonel Ironsides caused large amounts of such matter to be shipped by freight. He differentiated between mail that had a time value and mail that did not make much difference when it got to its destination, if within, say, 3 or 6 months, such as stocks of blank forms and so forth. The War Department has accomplished a great deal of good along this line.

The CHAIRMAN. We certainly do appreciate your interesting statement. It is very helpful. I want to say to you gentlemen that what you have said is pointing in the right direction, and it is going to be very helpful to us.

Several members of the committee have come in since Mr. Black stated his six-point suggestions. Would you, therefore, repeat those points, Mr. Black?

Mr. BLACK. Certainly.

The first suggestion is that you require all penalty envelope indicia to be secured or accounted for through the Post Office Department.

Second, we suggest that the Post Office Department report to the Congress and the Bureau of the Budget 60 days after close of a year the number of all envelopes, labels, cards, indicia, and so forth, used by each department and independent office.

Third, we suggest that there be a cost ascertainment to determine the volume and the cost of handling penalty mail by classes, mailed by each department and independent office, and that a report be made of same to the Congress and the Bureau of the Budget at the time of reporting the number of penalty envelopes, and so forth, in accordance with the second suggestion.

Fourth, it is suggested that you abolish the 4-pound exemption for official matter at Washington.

Fifth, it is suggested that you authorize the Postmaster General to refuse matter which can be sent other than by mail at less expense.

Sixth, it is suggested that you permit departments and independent offices to place penalty indicia on official matter only under rules issued by the Postmaster General, such mailings to be included in reports to the Congress and the Bureau of the Budget.

The CHAIRMAN. Are there any further questions by members of the committee?

Mr. MASON. The question has been raised as to what legislation would be necessary to effect the recommendations just recited. Can we not in one bill cover these recommendations so that these restrictions could be placed in law as suggested by the representatives of the Post Office Department?

The CHAIRMAN. Yes; I think so. If it be agreeable to members of the committee, I think the committee should adjourn to meet at an uncertain date, when we may have still further information. I think we have made real progress today. My idea would be to confer with the legal advisers of the Post Office Department with the view to drafting a bill to cover these suggestions, so that we could have something in concrete form. That is my own idea.

Mr. HAGEN. We could revise your bill or introduce a new bill.

The CHAIRMAN. Yes. We could throw my bill out and write something else under the same number. We could strike out everything but the enacting clause, or even strike out all the bill including the enacting clause, leaving nothing but the number, and write an entirely new bill. Let us think over this matter before the committee meets again.

Unless there are further questions of the witnesses by members of the committee, I suggest we adjourn to meet at the call of the chairman. I do not think it will be desirable to meet before we hear from the Byrd committee, when we shall have all or most of the desired information. In the meantime we can confer with the representatives of the Post Office Department and get something in shape to report to the committee for consideration.

We thank you gentlemen of the Post Office Department for the helpful information you have given us this morning. We are glad to have you with us again.

(The following was submitted for the record:)

Franked mail

	Number of pieces	Weight	Revenues	Expense	Expense—	
					Per piece	Per pound
		<i>Pounds</i>			<i>Cents</i>	<i>Cents</i>
1926	32,733,617	5,224,733	-----	\$544,694.37	1.6642	10.4253
1927	50,487,129	5,548,306	-----	520,691.23	1.0313	9.3846
1928	46,989,467	5,164,550	-----	512,182.03	.8662	6.3774
1929	37,178,342	4,813,121	-----	637,379.67	1.7143	13.2425
1930	41,405,009	4,903,696	\$872,605	700,655.39	1.8258	11.7578
1931	38,843,177	5,444,969	852,641	628,978.53	1.8381	8.7354
1932	38,742,074	4,424,800	784,725	742,689.83	2.1585	12.6385
1933	36,148,237	6,857,208	1,023,615	571,760.83	1.7423	7.2734
1934	20,802,321	7,693,559	776,000	633,640.48	3.2652	7.4115
1935	16,061,415	2,676,379	577,342	395,602.60	2.9093	10.0817
1936	29,668,748	3,916,820	751,825	577,589.73	2.2170	10.8930
1937	42,785,753	5,979,628	1,137,655	655,132.74	1.7882	8.0892
1938	24,217,512	3,714,643	779,369	797,898.72	3.9339	12.0177
1939	35,570,127	5,837,549	1,003,659	542,540.70	1.9340	6.1351
1940	44,975,397	4,840,687	1,217,561	746,110.19	2.0268	8.1356
1941	30,779,974	5,700,377	926,843	804,574.18	2.6139	14.1144
1942	24,460,040	4,261,403	767,028	974,834.85	3.9854	22.8759
1943	29,248,405	5,882,968	1,157,122	-----	-----	-----

Penalty Mail

	Number of pieces	Weight	Revenues	Expense			Expense—	
				Post Office Department	Other	Total	Per piece	Per pound
		<i>Pounds</i>					<i>Cents</i>	<i>Cents</i>
1926	456,104,444	109,741,166	-----	-----	-----	\$6,576,257.07	1.4418	5.9925
1927	438,590,586	136,662,545	-----	-----	-----	6,263,620.66	1.4281	4.5832
1928	471,911,383	156,559,109	-----	-----	-----	7,036,033.35	1.4909	4.4941
1929	448,909,071	136,228,699	-----	-----	-----	7,110,483.94	1.5839	5.2195
1930	459,606,087	165,366,185	\$9,347,505	\$3,998,992.71	\$3,898,540.65	7,807,533.36	1.6927	4.7213
1931	511,993,883	177,548,202	9,886,456	4,306,609.02	4,336,691.44	8,643,300.46	1.6881	4.8681
1932	461,756,971	206,056,187	9,151,899	5,238,471.21	4,504,239.92	9,742,711.13	2.1099	4.7281
1933	513,557,957	136,872,109	14,315,414	3,584,859.49	4,417,744.36	8,002,603.85	1.5582	5.8467
1934	666,512,668	180,541,168	23,094,882	3,609,331.22	6,496,371.32	10,105,702.54	1.5162	5.5974
1935	772,097,545	152,399,530	31,281,600	3,484,097.78	8,890,351.09	12,374,348.87	1.6027	8.1197
1936	812,357,199	137,142,703	32,236,269	2,938,121.87	9,732,792.85	12,670,914.72	1.5597	9.2532
1937	909,445,333	171,317,432	34,081,927	3,900,684.88	10,402,619.62	14,303,304.50	1.5727	8.3490
1938	1,047,098,283	167,444,173	35,690,807	3,748,064.52	11,151,133.79	14,899,198.31	1.4229	8.8980
1939	1,222,322,331	177,510,105	38,231,125	4,256,830.90	13,127,032.26	17,383,863.16	1.5459	9.7931
1940	1,157,320,599	177,616,060	41,533,510	3,817,204.16	13,168,907.86	16,986,112.02	1.4677	9.5633
1941	1,294,098,063	216,850,031	51,557,492	3,714,756.42	16,002,591.39	19,717,347.81	1.5236	9.0926
1942	1,696,534,969	312,891,070	71,924,126	3,668,339.14	19,938,967.13	23,607,306.27	1.3915	7.5449
1943	1,956,073,568	295,711,589	120,180,056	-----	-----	-----	-----	-----

Fiscal year	Total plain envelopes purchased	Total printed envelopes purchased	Total envelopes purchased	Number of envelopes and registry jackets, Post Office Department	Penalty mail		
					Post Office Department	Other agencies	Total
1932	13,622,000	256,856,000	270,478,000	124,898,443	142,878,005	318,878,966	461,756,971
1933	14,705,000	254,522,500	269,227,500	99,844,150	141,348,563	372,209,394	513,557,957
1934	12,361,000	243,400,500	255,761,500	114,413,420	138,240,618	528,272,050	666,512,668
1935	9,951,000	344,802,000	354,753,000	120,258,714	149,546,606	622,550,939	772,097,545
1936	26,139,000	451,855,000	477,994,000	133,741,219	144,881,454	667,475,745	812,357,199
1937	22,748,000	451,488,000	474,236,000	141,606,898	169,158,120	740,287,213	909,445,333
1938	22,711,000	430,760,000	453,471,000	139,875,721	164,746,226	882,352,057	1,047,098,283
1939	20,221,000	545,047,000	565,268,000	152,720,144	154,739,150	967,583,181	1,122,322,331
1940	21,820,000	719,422,000	741,242,000	154,472,268	161,749,503	995,571,096	1,157,320,599
1941	29,510,000	811,363,078	840,873,078	160,551,107	175,636,333	1,118,461,730	1,294,098,063
1942	-----	-----	2,215,000,000	165,463,700	180,519,525	1,516,015,444	1,696,534,969
1943	-----	-----	5,858,000,000	-----	254,455,600	1,956,073,568	2,210,529,168
1944	-----	-----	7,023,000,000	-----	-----	-----	-----

(The following statement was furnished by the Bureau of the Budget:)

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., December 17, 1943.

Hon. THOMAS G. BURCH,
*Chairman, Committee on the Post Office and Post Roads,
House of Representatives, Washington, D. C.*

MY DEAR MR. BURCH: When I appeared before your committee recently, in connection with hearings on the subject of penalty mail, I was requested to furnish additional information as to—

- (1) Mailings by old-line departments over a period of years.
- (2) Mailings under the franking privilege by Members of Congress.
- (3) Examples of circulars and instructions issued by departments and agencies to control their mailings.

There was some delay in furnishing you this material because we were attempting to get some fairly reliable figures as to departmental mailings prior to 1940. The lack of information in the departments as to the amount of penalty mail prior to that date convinced us that it would be useless to attempt to furnish your committee with figures. The total pieces of penalty mail for 1940, and subsequent years, are based on the quarterly reports made by those departments to the Postmaster General.

I hope the delay in furnishing this material has not inconvenienced your committee.

Very truly yours,

F. J. LAWTON,
Administrative Assistant.

List of attached circulars and instructions of departments and agencies

	Title	Date of issue
Department of Agriculture:		
Doc. No. 824 (revised)	Revised Instructions for Penalty Mail	July 26, 1939
Doc. No. 982 (Supp. 1)	Reduction in Printed and Processed Material	Apr. 17, 1942
Doc. No. 712	Economy in Communication Expenses	Sept. 7, 1943
Department of Justice:		
Doc. No. 3085 (Supp. 1)	Procedure for Handling Penalty Mail	Oct. 28, 1939
Doc. No. 3085 (Supp. 2)	Incoming Mail, Instructions for Disposal	Apr. 10, 1940
Doc. No. 3085 (Supp. 4)	Postal Unit Numbers on Vouchers	Oct. 12, 1943
Doc. No. 3276	Limitations on Transmittal of Free Mail, not Applicable to Judiciary	July 20, 1939
Doc. No. 3277	Report on Pieces of Penalty Mail	July 24, 1939
Doc. No. 3277 (Supp. 1)	do	Oct. 9, 1939
Doc. No. 3277 (Supp. 2)	do	Nov. 16, 1942
Office of War Information:		
Regulation No. 3	Curtailement of Nonessential Informational Activities	Sept. 25, 1942
Regulation No. 8	Informational Publications	Nov. 11, 1943
Regulation No. 8 (Supp. —)	Clearance of Publications With Inter-Agency Publications Committee	Do.
Treasury Department:		
Doc. No. 10	Franking of Fourth-Class Official Mail Matter	Mar. 19, 1913
Doc. No. 614	Statement of Official Matter Mailed Free of Postage	June 21, 1939
Doc. No. 614 (1)	do	July 11, 1939
Doc. No. 74	Postal Unit Numbers	Oct. 4, 1943
Doc. No. —	Official Free Registrations	Nov. 14, 1942
Doc. No. 34	Consolidation of all Mail Leaving Department to Regional Offices	Dec. 3, 1943
War Department:		
Doc. No. 1	Services of Supply Publications	Jan. 7, 1943
Doc. No. S-340	Mail Handling by Adjutant General Depots	Jan. 11, 1943
Doc. No. S-9	Procurement and Distribution of Publications and Blank Forms	Feb. 18, 1943
Doc. No. S-310	do	Do.
Doc. No. S-24	Army Service Forces Publications	Apr. 8, 1943
Doc. No. S-25	Requests and Justification for Publications	Do.
Memo	Policies Governing Army Service Forces Publications	Do.
War Production Board:		
Doc. No. 4-37	Maintenance and Control of Mailing Lists	Sept. 12, 1942
Doc. No. 2-52	do	Sept. 10, 1942
Doc. No. 4-25	Requisitioning of Printing or Duplicating	June 15, 1942
Doc. No. 105-1	Official Mail	Jan. 20, 1943
Bureau of the Budget:		
Circular No. 389	Reduction of Printed and Processed Material and Conservation of Paper	Mar. 31, 1942
Circular No. A-3	Government Periodicals	Aug. 1, 1943
Circular No. A-16	Publications and Informational Matter	Do.
Regulation No. 4	Standards of Utilization: Letterheads, Manifold (Correspondence) Sheets, Memorandum Forms, and Envelopes	Aug. 28, 1943
Executive Order No. 9235	Providing for the Effective Utilization of Supplies and Equipment by Government Agencies	Aug. 31, 1942

TABLE I.—*Mailings under penalty privilege as reported to the Bureau of the Budget*

	Pieces of mail, fiscal years ending June 30—			
	1940	1941	1942	1943
Department of—				
Agriculture.....	287,752,000	295,684,000	284,653,000	322,267,000
Commerce.....	22,800,000	28,200,000	21,600,000	20,000,000
Interior.....	15,950,000	16,813,000	17,439,000	18,000,000
Justice.....	3,515,000	4,321,000	9,149,000	14,148,000
Labor.....	9,479,000	7,875,000	7,820,000	5,130,000
Treasury.....	161,617,000	159,739,000	206,125,000	300,000,000

TABLE II.—*Mailings free of postage under franking privilege by Members of Congress (estimated) as reported by the Post Office Department*

Year	Number of pieces	Weight in pounds	Revenues at usual postage rates	Year	Number of pieces	Weight in pounds	Revenues at usual postage rates
1930.....	34,525,581	3,978,879	\$718,000	1937.....	42,908,983	5,993,694	1,137,440
1931.....	33,413,032	4,385,007	723,671	1938.....	24,294,487	3,724,756	779,254
1932.....	38,561,744	4,418,216	778,436	1939.....	35,684,185	5,856,695	1,003,558
1933.....	36,171,088	6,867,788	1,019,621	1940.....	45,128,977	4,857,483	1,217,346
1934.....	20,882,779	7,724,910	775,785	1941.....	30,915,247	5,725,860	926,686
1935.....	16,097,050	2,683,086	577,162	1942.....	24,453,450	4,260,366	766,839
1936.....	29,747,411	3,922,109	751,579	1943.....	29,095,104	5,882,968	1,147,679

(Thereupon at 11:10 a. m., Wednesday, December 8, 1943, the committee adjourned, to meet at the call of the chairman.)

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REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

ADDITIONAL REPORT OF THE JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES CONGRESS OF THE UNITED STATES

PURSUANT TO
SECTION 601 OF THE REVENUE ACT OF 1941

PENALTY MAIL



JANUARY 21 (legislative day, JANUARY 11), 1944.—Referred to the
Committee on Appropriations and ordered to be printed

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1944

CONGRESS OF THE UNITED STATES
JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

CREATED PURSUANT TO SECTION 601, OF THE REVENUE ACT OF 1941

HARRY FLOOD BYRD, Senator from Virginia, *Chairman*

ROBERT L. DOUGHTON, Representative from North Carolina, *Vice Chairman*

SENATE

WALTER F. GEORGE, Senator from Georgia.

ROBERT M. LA FOLLETTE, JR., Senator from Wisconsin.

CARTER GLASS, Senator from Virginia.

KENNETH McKELLAR, Senator from Tennessee.

GERALD P. NYE, Senator from North Dakota.

HOUSE OF REPRESENTATIVES

THOMAS H. CULLEN, Representative from New York.

ALLEN T. TREADWAY, Representative from Massachusetts.

CLARENCE CANNON, Representative from Missouri.

CLIFTON A. WOODRUM, Representative from Virginia.

JOHN TABER, Representative from New York.

HENRY MORGENTHAU, JR., *Secretary of the Treasury*

HAROLD D. SMITH, *Director of the Bureau of the Budget*

LETTER OF TRANSMITTAL

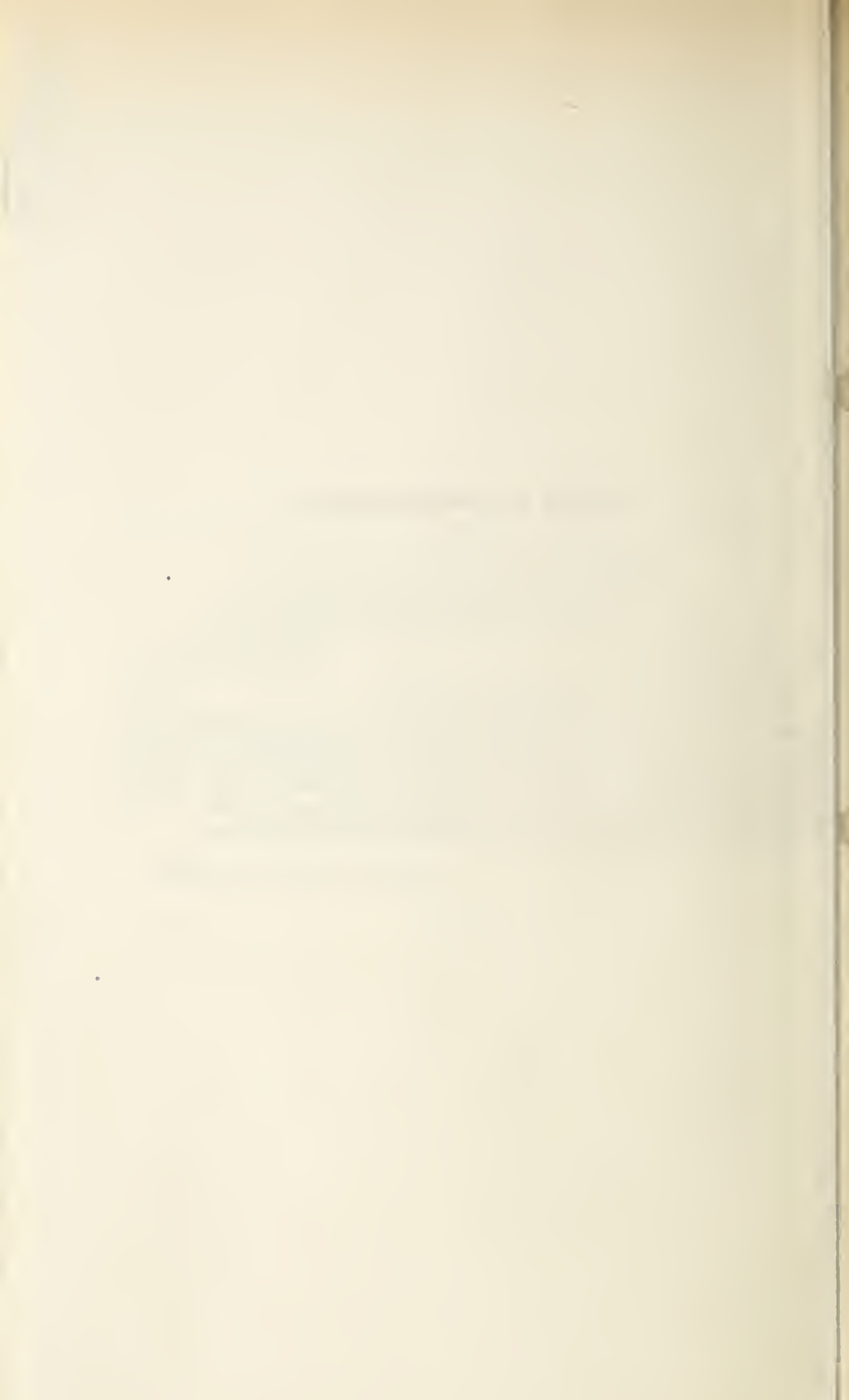
CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON REDUCTION OF
NONESSENTIAL FEDERAL EXPENDITURES,
January 21, 1944.

The VICE PRESIDENT,
United States Senate, Washington, D. C.

SIR: In accordance with title 6 of the Revenue Act of 1941, Public Law No. 250, Seventy-seventh Congress, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, it gives me pleasure to present to you an additional report of this committee, which I ask that you lay before the Senate of the United States, with a view to its being printed as a Senate document.

Respectfully submitted.

HARRY F. BYRD, *Chairman.*



REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

PENALTY MAIL

REPORT TO THE PRESIDENT OF THE UNITED STATES, THE VICE PRESIDENT OF THE UNITED STATES, PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

In accordance with title 6 of the Revenue Act of 1941, Public Law 250, Seventy-seventh Congress, an additional report herewith is presented by the Joint Committee on Reduction of Nonessential Federal Expenditures.

INTRODUCTORY STATEMENT

Section 204 of the Treasury and Post Office Departments Appropriation Act, 1944, approved June 30, 1943, provided the following:

The Joint Committee on Investigation of Nonessential Federal Expenditures is hereby directed to make a study of the problem of penalty mail in all of the departments and branches of the Government, with a view to eliminating unnecessary volume and reducing costs, and shall report its findings and recommendations by bill or otherwise to Congress not later than the first day of the next regular session of the Seventy-eighth Congress. The departments and agencies of Government shall furnish such information and detail such personnel as may be requested by the committee to assist in its investigation.

Accordingly an investigation was initiated by the committee, and hearings were held on October 27, 1943. The committee is appreciative of the splendid cooperation of the Bureau of the Budget and Post Office Department in making available the necessary data upon which this report is based.

The report will be confined to a discussion of "penalty mail" which is official mail originating in the executive departments and agencies.

INCREASES IN THE AMOUNT OF PENALTY MAIL

The following table shows for the years 1934 through 1943 the number of pieces of penalty mail, the weight of such mail, and the estimated revenue at regular postage rates which this mail would have brought the Post Office Department:

TABLE 1.—*Penalty matter (exclusive of Post Office Department)*

	Penalty mail		Estimated revenue at regular postal rates		
	Pieces	Pounds	Regular rates	Registry	Total
Fiscal year—					
1934	528, 272, 050	80, 875, 988	\$22, 893, 584	\$201, 298	\$23, 094, 882
1935	622, 550, 939	84, 983, 288	28, 418, 484	2, 863, 116	31, 281, 600
1936	667, 475, 745	90, 869, 704	29, 697, 013	2, 539, 256	32, 236, 269
1937	740, 287, 213	96, 160, 181	32, 625, 126	1, 456, 801	34, 081, 927
1938	882, 352, 057	94, 551, 521	34, 166, 571	1, 524, 236	35, 690, 807
1939	967, 583, 181	93, 168, 643	36, 408, 851	1, 822, 274	38, 231, 125
1940	995, 571, 096	103, 244, 823	39, 905, 033	1, 628, 477	41, 533, 510
1941	1, 118, 461, 730	150, 987, 345	49, 020, 190	2, 537, 306	51, 557, 496
1942	1, 516, 015, 444	236, 529, 015	67, 334, 355	4, 589, 767	71, 924, 122
1943	1, 956, 073, 568	295, 711, 589	103, 485, 392	16, 694, 664	120, 180, 056

It is expected that during the fiscal year 1944 over 2,000,000,000 pieces of penalty mail will be handled by the Post Office Department. As can be seen from the above table the number of pieces of penalty mail originating in the departments and agencies has more than tripled since 1934. The Budget Bureau estimates that the cost to the Post Office Department of handling penalty mail in 1940 was \$13,000,000, and that the cost will be over \$30,000,000 in 1943. The war activities of the Government have been responsible for a large portion of the increase in penalty mail over the past 3 years. The following table shows the number of pieces of penalty mail for which certain war activities have been responsible during the fiscal year 1943.

TABLE II ¹

Activity	Pieces of penalty mail	Activity	Pieces of penalty mail
Selective Service.....	222,000,000	Invoices and disbursements (armed forces).....	19,000,000
Allotments to dependents and bonds mailed (armed forces).....	80,000,000	Tax forms and invoices.....	234,000,000
War Saving bonds.....	75,000,000	Treasury disbursements.....	44,000,000
War Production Board (forms and questionnaires).....	600,000,000	Total.....	1,288,000,000
Other war agencies (forms and questionnaires).....	14,000,000		

¹ Budget Bureau figures.

Thus 1,280,000,000 pieces, or about 60 percent, of the approximate 2,000,000,000 pieces of penalty mail reported by the Post Office Department are directly connected with war activities. The remainder of the penalty mail, approximately 40 percent or about 800,000,000 pieces is the result of a continuation of normal peacetime nonwar Federal activities. Since this 40 percent of the current total nearly equals the total of all penalty mail in 1940, it is clear that the conversion from peacetime to war activities in the Federal Government has not had its counterpart in the field of mail originating in the departments and agencies of the Federal Government.

METHODS OF CONTROL

Testimony adduced at the hearings, and facts uncovered during the investigation, reveal that the problem of the excessive use of the penalty mailing privileges must be attacked from two directions. First, it is necessary to curtail the printing and processing of Government publications, forms, and questionnaires; particularly those not directly concerned with war activities of which there are still too many. Second, it is necessary to provide a better control over the procedures used in sending that penalty mail which is deemed to be absolutely necessary. In commenting on this the Postmaster General made the following statement:

No doubt governmental departments and agencies generally consider all their penalty mailings to be essential and also no doubt the cost to them is a factor which they consider, but the important items of cost, namely, that of transportation, handling and delivery, are ones with which they are not concerned, since these items are not borne by them. It might well be that if they were charged with this element of cost it would affect materially the decision as to essentiality of the material to be distributed.

On February 11, 1943, the committee issued a report on the number of forms and questionnaires issued by the Federal Government to the

public (S. Doc. No. 4, 78th Cong.), and recommended that immediate steps be taken by the Bureau of the Budget to curtail their use to the greatest extent possible. Some progress has been made along this line through a more careful review of all Government forms, questionnaires, publications, and periodicals. In this connection the Director of the Bureau of the Budget stated the following:

There is evidence of control and administrative examination of mailing lists in some of the agencies. Care is exercised in many agencies to subdivide the lists as far as possible to enable the agencies to make a finer selection of material to be distributed. In most agencies names are being placed on lists only upon direct request; the agencies report that lists are being circularized periodically and that the names of all persons not expressing a desire to remain on the list are usually removed. The frequency of circulation varies from once every 6 months to once each year. In several departments, the control and actual maintenance of mailing lists have been placed in 1 unit, while in others they are operated by the several bureaus. All departments and agencies report that substantial reductions have been made in the number of names on the lists. For example, in the Office of War Information 61 lists containing 22,000 names were eliminated, and other lists involving 34,000 names were reduced to 27,000. In spite of these improvements in the control over mailing lists, the Director of the Budget is of the opinion that a more complete control can and should be established.

However, from testimony at the hearings it was revealed that the contents of only "a very small percentage" of the 2,000,000,000 pieces of penalty mail are subject to the review of the Bureau of the Budget. For example, there is the great amount of "official" correspondence and myriad of "administrative" forms and publications which emanate from the various Government departments and agencies from both their central and field offices.

The committee finds that the departments and agencies do not exercise sufficient care to make certain that only essential material is sent through the mails. The Director of the Bureau of the Budget states:

The principal control over the volume of penalty mail is being exercised through the supervision of the printing and processing of materials going into the mails, but there is room for further improvement in these practices.

The committee has found that several departments and agencies have established various methods of control over material sent through the mails, whereas many have not. The committee advocates that all departments and agencies of the Government establish adequate central controls over the distribution of all material sent through the mails. Further, each department and agency should report semi-annually to the Budget Bureau and the Congress the titles and number of all their circulars, pamphlets, posters, periodicals, and other publications sent to the public.

Bulk shipments of undated matter and material which may be shipped by freight, express, or truck to field distribution points should never be sent under the penalty mailing privileges.

SEVENTY-POUND WEIGHT LIMIT IN WASHINGTON, D. C.; FOUR-POUND WEIGHT LIMIT OUTSIDE WASHINGTON, D. C.

Present postal regulations prescribe a 70-pound penalty mail weight limit at Washington, D. C., and a 4-pound limit in the field. In the past this difference has encouraged certain departments and agencies to send material from the field by common carrier to their Washington, D. C., offices for reshipment via penalty mail under the larger 70-pound

limit. However, the committee has been notified that this practice has been discontinued to some extent. Because of the decentralization of many Federal activities to the field the distinction between the 70- and 4-pound weight limit serves no useful purpose today, and should no longer be made. All departments and agencies, except the War and Navy Departments, the Selective Service System and the Treasury Department, should be restricted to a 4-pound penalty mail weight limit both in Washington, D. C., and in the field, and should be required to pay postage to the Post Office Department for official mail weighing in excess of 4 pounds, or be required to ship the material by common carrier, freight or express—whichever is the most economical. To this end, the Postal Laws and Regulations might well be revised to place a universal weight limit of 4 pounds on all penalty mail, with the exceptions noted above, until such time as the committee's first recommendation is carried into effect.

H. R. 2001—A BILL TO REQUIRE DEPARTMENTS, AGENCIES, AND INDEPENDENT ESTABLISHMENTS IN THE EXECUTIVE BRANCH OF THE GOVERNMENT TO PAY POSTAGE ON OFFICIAL MAIL MATTER

During the course of the investigation the committee received many suggestions on how to reduce the excessive amounts of penalty mail. The most worth-while of these is H. R. 2001, a bill introduced by Congressman Thomas G. Burch, chairman of the House Committee on the Post Office and Post Roads, which provides that all departments and agencies shall be required to pay the full rate of postage from their appropriations for their official use of Government mails. The penalty-mailing privileges would be abolished as such, and would be replaced by special stamps and stamped envelopes proposed by the Postmaster General, and by the use of permit numbers and metering machines under the supervision of the Post Office Department. This would necessitate a specific appropriation by Congress to each department and agency for the expense incurred in using the mails. Thus, in providing a greater control over the use of the mails, there is no question but that certain advantages would accrue to the Government. These are:

(1) Less penalty mail would be sent by the departments and agencies, and the heavier material would be sent via the less expensive means of carrier, express, or freight.

(2) The more effective control over penalty mail would result in economies.

(3) Since a specific allocation of funds would be made to each department and agency for the payment of postage, the administrators in the departments and agencies would be compelled to establish effective operational controls over the distribution of printed and processed materials to keep within the limits of funds allowed for this purpose.

However, according to the departments and agencies there would be certain disadvantages in requiring them to pay postage. These are:

(1) Additional personnel would be required to maintain the necessary records and provide for safekeeping of accountable property.

(2) Simplified procedures which now exist for handling bulk mailings, established by cooperation between the Post Office Department and the agencies, would be impractical.

(3) Postage meters, scales, and other facilities would require the use of critical war materials.

The committee finds that the advantages of H. R. 2001 far outweigh the disadvantages. The committee is convinced that there is an excessive nonessential use of the penalty mailing privileges by the departments and agencies, and that the passage of legislation which would serve to reduce this use would be a step toward more efficient management and control in the Federal Government. However, the committee believes that during wartime exceptions should be granted for the following agencies: War Department, Navy Department, Treasury Department, and the Selective Service System.

In addition, the committee believes that were more effective controls exercised by the departments and agencies over the publication and processing of materials to be sent through the mails better results would be obtained.

CONCLUSIONS

1. The committee finds that there is a need for more adequate records concerning the volume and methods of shipment of penalty mail both from Washington and the field. Although certain agencies had some reports on the volume of penalty mail of their agencies, in most cases whenever reports were available they were inadequate.

2. The committee finds that under present conditions the Post Office Department makes contracts for the supplying of penalty envelopes for all Government departments and agencies. It will, for instance, make a contract based on supplying a hundred thousand penalty envelopes of a certain size. There is nothing, however, to prevent the direct purchase of millions of these envelopes by a department or agency, and such purchases are now made. Any department or agency also may print or cause to be printed its own penalty labels, or to affix penalty indicia on mailable matter.

3. The committee finds that under existing procedures it is possible for an agency to place an order directly with a contractor for penalty mail envelopes far in excess of the quantity for which the contract was originally negotiated. Such action often results in the Government paying much higher unit prices than would have been necessary if the contract had originally been negotiated for the larger quantity by a central purchasing agency.

4. The committee finds that there exists an illogical weight distinction between penalty mail originating in Washington, D. C., and elsewhere, and that this weight distinction has resulted in large shipments of penalty mail from the field to Washington, D. C., in order to take advantage of the higher 70-pound limit at Washington, D. C.

5. The committee finds that no record is now being maintained to show the rapidly increasing volume of circular publications, posters, etc., mailed without being enclosed in penalty envelopes, the penalty indicia merely being printed, mimeographed, or otherwise placed directly on the mailing pieces.

RECOMMENDATIONS

The committee recommends that the penalty mail privileges of the departments and agencies of the Federal Government be abolished as such, and that the Congress enact legislation, which would provide that the departments and agencies reimburse the Post Office Department at regular postage rates, or upon a cost ascertainment basis, from their regular appropriations, for their use of the mails. However, for the duration of the present war only, exceptions should be made for the following departments and agencies: War Department, Navy Department, Treasury Department, and the Selective Service System.

Between now and the time the above recommendation is executed, the committee recommends:

1. That the privilege of sending penalty mail weighing in excess of 4 pounds free of postage from Washington, D. C., or elsewhere be abolished, and that the Postal Laws and Regulations be revised to restrict the shipment by mail of a maximum of 4 pounds of a particular item of penalty mail to a single addressee in any one day from any part of the United States. However, exceptions should be made for the following departments and agencies: Treasury Department, War Department, Navy Department, and the Selective Service System.

2. That each department and agency be encouraged, under rules and regulations promulgated by the Bureau of the Budget and Post Office Department, to establish a recording procedure, as simple as possible, that will enable the Federal Government to have more accurate information regarding the use of penalty mail.

3. That the Post Office Department be empowered to revise its present contracting procedure for the purchase of penalty envelopes, labels, post cards, or penalty indicia so that the Postmaster General shall be the only Government contracting agent for penalty envelopes, labels, post cards, or other penalty indicia.

4. That the Post Office Department shall report quarterly to the Congress and the Bureau of the Budget the number of all such penalty envelopes purchased, and also the number of labels or other indicia used by the various departments and agencies or bureaus or subdivisions thereof.

5. That the Post Office Department shall determine the volume and established cost of handling by the Postal Service of penalty mail by classes, mailed by each department and agency of the Government, which shall be reported quarterly to the Congress and the Bureau of the Budget.

6. That the Post Office Department cost-ascertainment procedure be amplified to determine the volume of penalty mail by departments and agencies; whereas now it is determined by the Government as a whole.

7. That the indicia showing the penalty mail privilege be placed on official mail matter by Government departments and agencies only under such rules as the Postmaster General may prescribe, and that the amount of mailings under such indicia be included in the quarterly reports to Congress and the Bureau of the Budget on penalty mailings.

8. That the Bureau of the Budget shall report semiannually to the Congress the titles and number of all their pamphlets, posters, periodicals, and other publications sent to the public by the Federal Government.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, 25 D. C., January 21, 1944.

HON. HARRY F. BYRD,
*Chairman, Joint Committee on Reduction of Nonessential Federal Expenditures,
Senate Office Building, Washington, D. C.*

MY DEAR SENATOR BYRD: I have reviewed the draft of the Committee's report on the subject of penalty mail and I am generally in agreement with the conclusions and recommendations. However, I have reservations as to the desirability of removing the penalty mailing privilege from departments and agencies prior to the cessation of the present war.

Whether the requirement that departments and agencies pay postage will involve additional administrative costs and will require additional manpower is a question that has not been resolved. It seems to me that it should be answered before any final decision is made on removing the penalty mailing privilege.

Very truly yours,

HAROLD D. SMITH, *Director.*

JANUARY 21, 1944.

HON. HARRY F. BYRD,
*Chairman, Committee on Reduction of Nonessential Federal Expenditures,
Congress of the United States, Washington, D. C.*

MY DEAR MR. CHAIRMAN: Reference is made to the proposed additional report of the Joint Committee on Reduction of Nonessential Federal Expenditures with respect to penalty mail, which you forwarded with your letter of January 13, 1944, for comment, suggestions, and approval.

There are undoubtedly some classes of penalty mail which could be curtailed or entirely eliminated without adversely affecting the Government's operations. With respect to mail of this character I am in accord with the committee's views that some savings could be realized through the establishment of more effective controls.

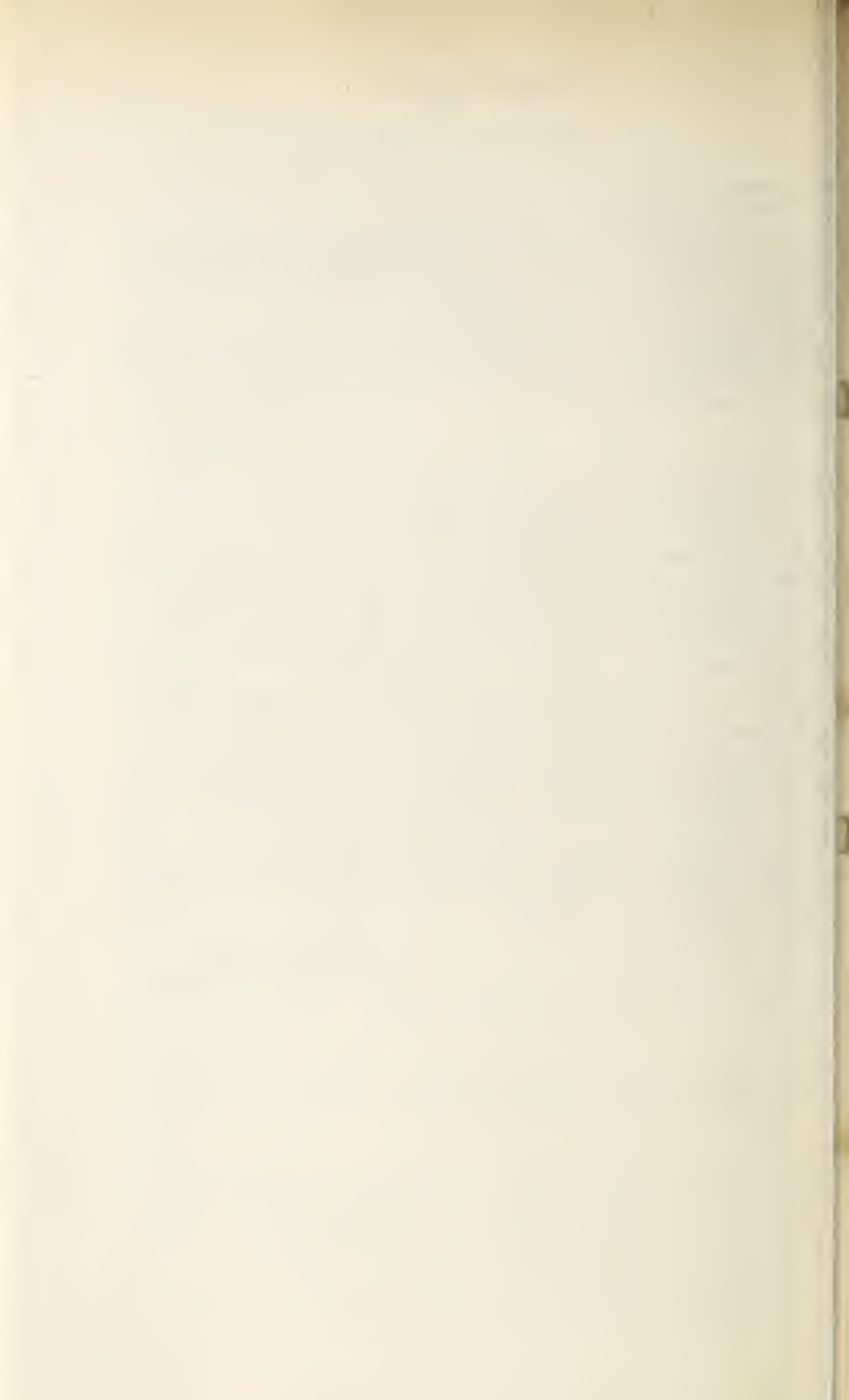
However, I am not prepared at this time, without detailed analysis and study of all the factors involved, to agree with the recommendation that the penalty mail privileges of the departments and agencies of the Federal Government be abolished, as such, and that the Congress enact legislation which would provide that the departments and agencies reimburse the Post Office Department at regular postage rates or upon a cost ascertainment basis. It is conceivable that additional costs might be imposed which would far outweigh any economies that could be achieved by reduced mailings. It would seem, therefore, that before any far-reaching change of this character is effected, there should be a very thorough investigation made to determine whether such change would in fact result in economies to the Government as a whole, and for this reason I believe an opportunity should be accorded the several departments and agencies to submit their views on the proposal.

I will be glad if you will include these comments with the committee report.

Very truly yours,

H. MORGENTHAU, JR.,
Secretary of the Treasury.

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78TH CONGRESS
2D SESSION

H. R. 4033

IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 1944

Mr. BURCH of Virginia introduced the following bill; which was referred to the Committee on the Post Office and Post Roads

A BILL

Relating to the use of the penalty mail privilege.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That all envelopes, labels, wrappers, cards, and other articles,
4 bearing the indicia prescribed by law for matter mailed free
5 of postage under the penalty privilege by all executive de-
6 partments and agencies, all independent establishments of the
7 Government, and all other organizations and persons author-
8 ized by law to use the penalty privilege, shall be procured or
9 accounted for through the Postmaster General under such
10 regulations as he shall prescribe. The head of each such
11 department, agency, establishment, or other organization, or

1 each such person, shall submit to the Postmaster General
2 within sixty days after the close of each fiscal year a state-
3 ment showing the number of envelopes, labels, wrappers,
4 cards, and other articles bearing such indicia on hand at the
5 close of such fiscal year.

6 SEC. 2. (a) The Postmaster General shall report to
7 the Congress and to the Bureau of the Budget as soon as
8 practicable after the close of the fiscal year ending June 30,
9 1944, and within ninety days after the close of each sub-
10 sequent fiscal year, the number of envelopes, labels, wrap-
11 pers, cards, and other articles bearing such penalty indicia
12 used during such fiscal year by each executive department
13 and agency, by each independent establishment, and by each
14 organization and person authorized by law to use the penalty
15 privilege.

16 (b) The Postmaster General shall, beginning with the
17 fiscal year beginning July 1, 1944, report quarterly to the
18 Congress and the Bureau of the Budget the number of
19 envelopes, labels, wrappers, cards, and other articles bearing
20 such penalty indicia procured or accounted for, through him,
21 by each such department, agency, establishment, and other
22 organization and person, together with the estimated number
23 of pieces and weight of matter mailed free of postage under
24 the penalty privilege and the estimated cost of handling such

1 matter as determined by the cost ascertainment procedure
2 of the Post Office Department.

3 (c) Based on the estimated cost determined in accord-
4 ance with subsection (b), each such department, agency,
5 and independent establishment, except the Post Office De-
6 partment, shall include in its annual estimates of appropria-
7 tions an amount representing the anticipated costs to the
8 Post Office Department of handling the penalty mail of such
9 department, agency, or independent establishment.

10 (d) Within thirty days following determination and
11 advice by the Postmaster General of the estimated cost of
12 handling the penalty mail, each such department, agency,
13 and independent establishment shall deposit in the general
14 funds of the Treasury as miscellaneous receipts from its
15 appropriations an amount equivalent to such costs.

16 SEC. 3. On and after August 1, 1944, no article or
17 package of official matter, or number of articles or packages
18 of official matter constituting in fact a single shipment,
19 exceeding four pounds in weight shall be admitted to the
20 mails under the penalty privilege, except (1) stamped paper
21 and supplies sold or used by the postal service; and (2) books
22 and documents published or circulated by order of Congress
23 when mailed by the Superintendent of Public Documents
24 or under the franking privilege.

25 SEC. 4. (a) Official matter not within the provisions

1 of section 3 which is over four pounds in weight, if other-
2 wise mailable, whether sealed or unsealed, including written
3 matter, shall, if such matter does not exceed the limit of
4 weight or size prescribed for fourth-class matter, be accepted
5 for mailing upon the payment of postage at fourth-class
6 rates.

7 (b) Shipments of official matter shall be sent by the
8 most economical means of transportation practicable, and
9 the Postmaster General may refuse to accept any such matter
10 for shipment by mail when in his judgment it is in the
11 public interest that it be forwarded by other means at less
12 expense.

13 SEC. 5. Sections 1 and 2 of this Act shall not apply to
14 the Department of War and the Department of the Navy for
15 the duration of the present war and six months thereafter.

16 SEC. 6. All executive departments and agencies, all
17 independent establishments of the Government, and all
18 other organizations and persons authorized by law to use the
19 penalty privilege, are directed to supply as soon as practicable,
20 all necessary information requested by the Post Office De-
21 partment to carry out the provisions of this Act.

22 SEC. 7. There are authorized to be appropriated such
23 sums as may be necessary to carry out the provisions of this
24 Act.

25 SEC. 8. This Act shall take effect July 1, 1944.

78TH CONGRESS
2d Session

H. R. 4033

A BILL

Relating to the use of the penalty mail
privilege.

By Mr. Byrnes of Virginia

JANUARY 21, 1944

Referred to the Committee on the Post Office and
Post Roads

continued on Monday, January 24, 1944, at 10 a. m.

COMMITTEE ON IMMIGRATION AND
NATURALIZATION

(Tuesday, January 25, and Wednesday,
January 26, 1944)

The Committee on Immigration and Naturalization will hold hearings at 10:30 a. m. on Tuesday, January 25, and Wednesday, January 26, 1944, on H. R. 2701, H. R. 3012, H. R. 3446, and H. R. 3489.

COMMITTEE ON THE MERCHANT MARINE AND
FISHERIES

(Tuesday, January 25, 1944)

The Committee on the Merchant Marine and Fisheries will hold a public hearing on Tuesday, January 25, 1944, at 10 a. m., the purpose of which will be to consider the civil-aeronautics law as related to the American merchant marine, the development of foreign commerce, and the protection of the national security of the United States.

(Thursday, February 3, 1944)

The Committee on the Merchant Marine and Fisheries will hold a public hearing on Thursday, February 3, 1944, at 10 a. m., on H. R. 2809, to amend section 511 of the Merchant Marine Act, 1936, as amended.

(Thursday, February 10, 1944)

The Committee on the Merchant Marine and Fisheries will hold a public hearing on Thursday, February 10, 1944, at 10 a. m., on H. R. 2652, to amend section 222 (e) of subtitle "Insurance of Title II of the Merchant Marine Act, 1936," as amended.

SCHEDULE OF HEARINGS ON FLOOD CONTROL
BILL OF 1944 BEGINNING TUESDAY, FEBRUARY
1, 1944, AT 10 A. M.

The Flood Control Committee will conduct hearings on flood-control reports submitted by the Chief of Engineers since the hearings conducted in June 1943 and on amendments to existing law. The committee is definitely committed to the view that flood-control projects for post-war construction will be among the most satisfactory public works, and the committee plans an adequate backlog of sound flood-control projects available following the war.

1. Tuesday, February 1: Maj. Gen. Eugene Reybold, Chief of Engineers, will open the hearings with any statements and recommendations he desires to submit covering national flood control and the projects that should be included in the bill to be reported, especially as they are related to national defense and as they will be important following the war to provide sound flood-control projects and desirable public works, and he will supplement his statements submitted to the committee in June 1943 with any recommendations he cares to submit following the said hearings and following the passage of the Emergency Flood Control Act authorizing an appropriation of \$10,000,000 for the repair, restoration, and strengthening of levees and other flood-control works passed July 12, 1943. General Reybold will be followed by Maj. Gen. Thomas M. Robins, Assistant Chief of Engineers, and by Col. George H. Goethals, Chief, River and Harbor Flood Control Branch, Office of the Chief of Engineers, who will attend the hearings and will furnish the members of the committee in detail any and all information respecting any and all projects on which favorable reports have been submitted by the Chief of Engineers since June 1943. The district engineers and the division engineers have

furnished to the Chief of Engineers data and information covering floods since June 1943 which will be submitted to the committee. It is probable that Brig. Gen. M. C. Tyler, president of the Mississippi River Commission, and the division engineer of the lower Mississippi Valley Division, and Col. Miles Reber, former division engineer, Missouri River Division, Omaha, Nebr., will appear before the committee with respect to projects along the lower Mississippi River and its tributaries and the Missouri River and its tributaries before the hearings are concluded.

2. Wednesday, February 2: General Reybold, General Robins, Colonel Goethals, other representatives of the Office of Chief of Engineers, and proponents and opponents of projects in the Pacific Northwest region, including the Willamette River and the Columbia River and tributaries; proponents and opponents of projects along the Milk River, Mont., the Knife River and tributaries, N. Dak., the Boyer River and tributaries, Iowa, Red Lake River and tributaries, Minn.; proponents and opponents of projects along the Rio Grande River and tributaries, Colo.; proponents and opponents of projects along other rivers in the Western Rocky Mountain region including the States of Colorado and Montana.

3. Thursday, February 3: General Reybold, General Robins, Colonel Goethals, other representatives of the Office of Chief of Engineers, and the Director of the Soil Conservation Service, Department of Agriculture and proponents and opponents of projects on rivers flowing into the Gulf of Mexico west of the Mississippi River, including the Trinity River in the State of Texas.

4. Friday, February 4: General Reybold, General Robins, Colonel Goethals, other representatives of the Office of Chief of Engineers, and proponents and opponents of projects along the upper Mississippi River and tributaries, including the Illinois River and tributaries, the Great Lakes region; and proponents and opponents of projects along Bear Creek, Colo.; Missouri River and tributaries at the Kansas City, Mo. and Kans.; Nishnabotna River, Iowa and Mo.

5. Tuesday, February 8: General Reybold, General Robins, Colonel Goethals, other representatives of the Office of Chief of Engineers, and proponents and opponents of projects in the Los Angeles area along the Sacramento River and tributaries and along the San Joaquin River and tributaries.

6. Wednesday, February 9: General Reybold, General Robins, Colonel Goethals, other representatives of the Office of Chief of Engineers, and the Director of the Bureau of Reclamation, and proponents and opponents on projects along the Kern River and tributaries in the Kern River area and along the Kings River and tributaries in the Kings River area, and including other streams in the San Joaquin Valley.

7. Thursday, February 10: Continuation of the projects discussed on February 9.

8. Friday, February 11: General Reybold, General Robins, Colonel Goethals, other representatives of the Office of Chief Engineers, and proponents and opponents of projects in the upper and lower Ohio River and tributaries, including Salt River at Taylorsville, Ky., the Potomac River and tributaries, the New England region including the Connecticut and Merrimac Rivers, and the Middle Atlantic region, including New York, Pennsylvania, and New Jersey, and the South Atlantic region including rivers flowing into the Atlantic Ocean and Gulf of Mexico east of the Mississippi River.

9. Tuesday, February 15: General Reybold, General Robins, Colonel Goethals, other representatives of the Office of Chief of Engineers, General M. C. Tyler, president of the Mississippi River Commission and division engineer, and proponents and opponents of projects along the lower Mississippi River

and tributaries including the Red, Arkansas, including Arkansas River, Conway County, Ark., and Purgatoire (Picket Wire) River, Colo., the White, St. Francis, and Yazoo Rivers.

10. Wednesday, February 16: General Reybold, General Robins, Colonel Goethals, other representatives of the Office of Chief of Engineers, Col. Miles Reber, former division engineer, Missouri River Division, Omaha, Nebr., and proponents and opponents of projects along the Missouri River and tributaries.

11. Thursday, February 17: Continuation of the projects discussed on February 16.

12. Friday, February 18: General Reybold, General Robins, Colonel Goethals, other representatives of the Office of Chief of Engineers, and proponents and opponents of projects in other regions in the United States.

13. Tuesday, February 22. Representatives of the Department of Agriculture, the Weather Bureau, Bureau of Reclamation, and other governmental agencies.

14. Wednesday, February 23. Senators and Representatives in Congress.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1096. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Executive Office of the President, Executive Mansion and Grounds, in the amount of \$10,000, for the fiscal year 1944, to remain available until expended (H. Doc. No. 147); to the Committee on Appropriations and ordered to be printed.

1097. A communication from the President of the United States transmitting a draft of a proposed provision pertaining to existing appropriations of the War Department for rivers and harbors, designed to make available unobligated balances of such appropriations for the maintenance of an extension of the Cuyahoga River Channel, Cleveland Harbor, Ohio (H. Doc. No. 148); to the Committee on Appropriations and ordered to be printed.

1098. A letter from the Under Secretary of the Interior, transmitting copies of requested changes in personnel ceilings for the quarter ended December 31, 1943, for various bureaus and offices of this Department; to the Committee on the Civil Service.

REPORTS OF COMMITTEES ON PUBLIC
BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURDOCK: Committee on Indian Affairs. H. R. 3865. A bill to reserve certain public-domain lands in the State of Arizona for addition to the Havasupai Indian Reservation, and for other purposes; without amendment (Rept. No. 1010). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAAS:

H. R. 4029. A bill to provide titles for heads of staff departments of the United States Marine Corps, and for other purposes; to the Committee on Naval Affairs.

By Mr. VINSON of Georgia:

H. R. 4030. A bill to amend the act approved March 2, 1895, as amended; to the Committee on Naval Affairs.

By Mr. COFFEE:

H. R. 4031. A bill to amend the act of September 16, 1942, which provided a method of voting, in time of war, by members of the land and naval forces absent from the place of their residence, and for other purposes; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. D'ALESSANDRO:

H. R. 4032. A bill to transfer property owned by the United States, known as Reservation Sixteen, in the District of Columbia, to the Providence Hospital; to the Committee on the District of Columbia.

By Mr. BURCH of Virginia:

H. R. 4033. A bill relating to the use of the penalty mail privilege; to the Committee on the Post Office and Post Roads.

By Mr. TOLAN:

H. J. Res. 224. Joint resolution to authorize the construction of temporary buildings on the Capitol Plaza Grounds; to the Committee on Public Buildings and Grounds.

By Mr. COFFEE:

H. Res. 404. Resolution to investigate the effect upon the country of the centralization of heavy industry in the United States; to the Committee on Rules.

By Mr. JARMAN:

H. Res. 405. Resolution authorizing the printing of a revised edition of House Document No. 285, Seventy-eighth Congress, first session, entitled "Handbook for Servicemen and Servicewomen, World War No. 2, and Their Dependents," with corrections as a public document, and for additional copies thereof; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DWORSHAK:

H. R. 4034. A bill for the relief of Charles E. La Vatta; to the Committee on Claims.

By Mr. EBERHARTER:

H. R. 4035. A bill for the relief of Ensign Robert S. Zeidman; to the Committee on War Claims.

By Mr. GOODWIN:

H. R. 4036. A bill for the relief of John H. Bonney, the legal guardian of Daniel R. Bonney, a minor; to the Committee on Claims.

By Mr. HARTLEY:

H. R. 4037. A bill for the relief of the City Service Transit Co.; to the Committee on Claims.

By Mr. TOLAN:

H. R. 4038. A bill for the relief of Joseph W. Steel; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4431. By Mr. DAY: Petition of more than 800 voters of the State of Illinois, registering their disapproval of House bill 2861 or Senate bill 1161, known as the Wagner-Murray-Dingell social-security bill; to the Committee on Ways and Means.

4432. By Mr. ENGEL of Michigan: Petition of Milo Colburn and 37 others, opposing the payment of subsidies; to the Committee on Agriculture.

4433. By Mr. O'LEARY: Petition of Frank Mikulas, opposing prohibition legislation; to the Committee on the Judiciary.

4434. By Mrs. SMITH of Maine: Petition of Gedeon Pelletier, of Lewiston, Maine, and other citizens, protesting against consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4435. Also, petition of the Elks Club, of Lewiston, Maine, protesting against consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4436. Also, petition of Leo Lebrun, of Rockland, Maine, and other citizens, protesting against consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4437. Also, petition of George Thibodeau, of Lewiston, Maine, and other citizens, protesting against consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4438. Also, petition of Joseph F. Currier, of Rockland, Maine, and other citizens, protesting against consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4439. By Mr. FORAND: Resolution of the City Council of the City of Providence, R. I., opposing the enactment of House bill 2082, a bill to reduce absenteeism, conserve manpower, and speed production of material necessary for the winning of the war; to the Committee on the Judiciary.

4440. Also, joint resolution of the General Assembly of the State of Rhode Island, requesting the Senators and Representatives from Rhode Island in the Congress of the United States, to use their earnest efforts to have enacted into law a satisfactory measure to authorize the erection of a permanent United States veterans' hospital in the State of Rhode Island; to the Committee on World War Veterans' Legislation.

4441. By Mr. SCHIFFLER: Petition of the secretary of the legislative committee of Local Union No. 1248, Congress of Industrial Organizations, City Bank Building, Wheeling, W. Va., urging the passage of the Green-Lucas soldier vote bill and the defeat of the Eastland bill; to the Committee on Election of President, Vice President, and Representatives in Congress.

4442. By Mr. ENGEL of Michigan: Petitions signed by Fred Kundrata, chairman of the legislative committee of the Muskegon Trades and Labor Council, Muskegon, Mich., and 76 others, favoring the subsidy program; to the Committee on Banking and Currency.

4443. By the SPEAKER: Petition of the city clerk of Boston, Mass., petitioning consideration of their resolution with reference to national lottery; to the Committee on the Judiciary.

RELATING TO THE USE OF THE PENALTY MAIL PRIVILEGE

JANUARY 24, 1914.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. MURRAY of Tennessee, from the Committee on the Post Office and Post Roads, submitted the following

R E P O R T

[To accompany H. R. 4033]

The Committee on the Post Office and Post Roads, to whom was referred the bill (H. R. 4033) relating to the use of the penalty mail privilege, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The committee originally proposed to report out with an amendment H. R. 2001, relating to the same subject, which had been pending in the committee and on which hearings had been held. However, in order to simplify procedure, it was considered best to introduce this bill and report it out without amendment.

PURPOSE OF THE LEGISLATION

The purpose of this bill is to establish a method to control the penalty-mailing privilege by the executive departments and agencies and the independent establishments of the Government, which has increased over the years to such an alarming extent that renders it imperative that action be taken to prevent abuse in connection with the use of penalty mail privilege and to exercise proper control over the volume of such mail so as to restrict the penalty mail privilege to purposes necessary to essential functions and effective operations of the Government.

The committee has held hearings on several days on this subject. It has been developed that heretofore there has been no control of the use of penalty mail; that the use of penalty mail during the past few years has not been under any control of the Post Office Department; that various executive departments and agencies and independent establishments have used their penalty privilege without regard; that they have never been required to account in any way for the use of their penalty-mail privilege; that the increase in penalty mail has reached such a great proportion that there should be some steps taken to control or supervise their use of the mails under their privilege.

Furthermore, it is the purpose of this legislation to require all executive departments and agencies and independent establishments to procure or account for all envelopes, labels, wrappers, etc., from the Postmaster General, and also for these departments, agencies, and independent establishments to justify before the Appropriations Committee their expenditures for their mail upon a cost-ascertainment basis; it is understood that each department, agency, or independent establishment will appear before the Appropriations Committee to justify its appropriation for the carriage of its mail upon the cost-ascertainment basis; then after each department, agency, or independent establishment receives an appropriation for such purposes, the head of such departments, agencies, or independent establishments must show effective control over the use of mails so as to keep within the limits of the appropriation allowed for such purposes.

The further purpose of this bill is to make each executive department, agency, or independent establishment of our Government secure an appropriation in amount adequate on ascertainment cost of the Post Office Department on all mail sent out under their penalty privilege. They cannot exceed the appropriation for such purpose.

In the hearings before the committee it was shown that neither the Bureau of the Budget nor the Post Office Department had any effective control over the use of the penalty mail privilege. Officials of these two agencies admitted that there was no direct check or mandatorial control over the use of the penalty mail privilege; they further stated that they had no definite record as to the use of the penalty mail privilege by the various executive departments and agencies and independent establishments; they stated that there should be some effective legislation controlling the penalty mail privilege.

Under the provisions of the Treasury-Post Office Appropriation Act approved June 30, 1943 (Public Law 102), there was the following provision:

SEC. 204. A joint committee on reduction of nonessential Federal expenditure is hereby directed to make a study of the problems of penalty mail in all departments and branches of the Government with a view to eliminate unnecessary volume and to reduce costs, and shall report its findings and recommendations by bill or otherwise, to Congress not later than the first day of the next regular session of the Seventy-eighth Congress. All departments and agencies of the Government shall furnish such information, and shall detail such personnel as may be requested by the committee, to assist in its investigation.

The committee has shown by its report the ever-increasing volume of penalty mail by the following table:

TABLE I.—*Penalty matter (exclusive of Post Office Department)*

	Penalty mail		Estimated revenue at regular postal rates		
	Pieces	Pounds	Regular rates	Registry	Total
Fiscal year—					
1934	528, 272, 050	80, 875, 988	\$22, 893, 584	\$201, 298	\$23, 094, 882
1935	622, 550, 939	84, 983, 288	28, 418, 484	2, 863, 116	31, 281, 600
1936	667, 475, 745	90, 869, 704	29, 697, 013	2, 539, 256	32, 236, 269
1937	740, 287, 213	96, 160, 181	32, 625, 126	1, 456, 801	34, 081, 927
1938	882, 352, 057	94, 551, 521	34, 166, 571	1, 524, 236	35, 690, 807
1939	967, 583, 181	93, 168, 643	36, 408, 851	1, 822, 274	38, 231, 125
1940	995, 571, 096	103, 244, 823	39, 905, 033	1, 628, 477	41, 533, 510
1941	1, 118, 461, 730	150, 987, 345	49, 020, 190	2, 537, 306	51, 557, 496
1942	1, 516, 015, 444	236, 529, 015	67, 334, 355	4, 589, 767	71, 924, 122
1943	1, 956, 073, 568	295, 711, 589	103, 485, 392	16, 694, 664	120, 180, 056

The conclusions of this committee are as follows:

1. The committee finds that there is a need for more adequate records concerning the volume and methods of shipment of penalty mail both from Washington and the field. Although certain agencies had some reports on the volume of penalty mail of their agencies, in most cases whenever reports were available they were inadequate.

2. The committee finds that under present conditions the Post Office Department makes contracts for the supplying of penalty envelopes for all Government departments and agencies. It will, for instance, make a contract based on supplying a hundred thousand penalty envelopes of a certain size. 'There is nothing, however, to prevent the direct purchase of millions of these envelopes by a department or agency, and such purchases are now made. Any department or agency also may print or cause to be printed its own penalty labels, or to affix penalty indicia on mailable matter.

3. The committee finds that under existing procedures it is possible for an agency to place an order directly with a contractor for penalty mail envelopes far in excess of the quantity for which the contract was originally negotiated. Such action often results in the Government paying much higher unit prices than would have been necessary if the contract had originally been negotiated for the larger quantity by a central purchasing agency.

4. The committee finds that there exists an illogical weight distinction between penalty mail originating in Washington, D. C., and elsewhere, and that this weight distinction has resulted in large shipments of penalty mail from the field to Washington, D. C., in order to take advantage of the higher 70-pound limit at Washington, D. C.

5. The committee finds that no record is now being maintained to show the rapidly increasing volume of circular publications, posters, etc., mailed without being enclosed in penalty envelopes, the penalty indicia merely being printed, mimeographed, or otherwise placed directly on the mailing pieces.

The bill was reported unanimously by the committee; all members realize that there must be some check upon the indiscriminate use of the penalty-mail privilege; they are of the opinion that this privilege has been abused; they are fully cognizant of the fact that this privilege has been used for the purpose of sending out unnecessary and worthless matter; they all insist that hereafter the penalty-mail privilege be used only for the purpose of sending out mailable matter which is essential to the proper operation of departments and agencies and independent establishments; they want this privilege used for proper and legitimate purposes of the Government.

The bill provides that the Postmaster General shall report to the Congress and to the Bureau of the Budget after the close of each fiscal year, the number of envelopes, labels, wrappers, cards, and other articles bearing the penalty indicia used during such fiscal year by each executive department, agency, and independent establishment; and furthermore that the Postmaster General shall report quarterly to the Congress and to the Bureau of the Budget the number of such envelopes, labels, etc., bearing such penalty indicia procured or accounted for through him, by each department, agency, or independent establishment, together with the estimated number of pieces and weight of matters mailed free of postage under the penalty

privilege, and the estimated cost of handling such matters, as determined by the cost ascertainment procedure of the Post Office Department. And furthermore that each department, agency, or independent establishment shall justify before the Appropriations Committee an appropriation sufficient to cover the cost to the Post Office Department in handling this penalty mail, and within 30 days following the determination and advice by the Postmaster General of the estimated cost of handling the mail, each such department, agency, and independent establishment shall deposit in the general funds of the Treasury as miscellaneous receipts from such appropriation, an amount equivalent to such costs.

The bill has other provisions which are self-explanatory.

The whole purpose of this legislation is to restrict the excessive and unnecessary use of the penalty mail privilege by these departments, agencies, and independent establishments. The committee wants it understood that these executive departments and agencies and independent establishments must receive appropriations for their use of the penalty mail privilege under the cost ascertainment basis established by the Post Office Department.

On account of the war and the heavy volume of mail used by these agencies incident thereto, the bill expressly provides that the War Department and Navy Department shall be excluded from the provisions of sections 1 and 2 for the duration of the war and 6 months thereafter.

The committee is of the opinion that this is a long-needed and far-reaching effort to properly control the use of the penalty mail privilege, which has caused so much criticism during the past several years. It is believed that this bill will prove to be a salutary check upon the unnecessary use of the penalty mail privilege.

Union Calendar No. 352

78TH CONGRESS
2D SESSION

H. R. 4033

[Report No. 1011]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 1944

Mr. BURCH of Virginia introduced the following bill; which was referred to the Committee on the Post Office and Post Roads

JANUARY 24, 1944

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

A BILL

- Relating to the use of the penalty mail privilege.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That all envelopes, labels, wrappers, cards, and other articles,
4 bearing the indicia prescribed by law for matter mailed free
5 of postage under the penalty privilege by all executive de-
6 partments and agencies, all independent establishments of the
7 Government, and all other organizations and persons author-
8 ized by law to use the penalty privilege, shall be procured or
9 accounted for through the Postmaster General under such
10 regulations as he shall prescribe. The head of each such
11 department, agency, establishment, or other organization, or

1 each such person, shall submit to the Postmaster General
2 within sixty days after the close of each fiscal year a state-
3 ment showing the number of envelopes, labels, wrappers,
4 cards, and other articles bearing such indicia on hand at the
5 close of such fiscal year.

6 SEC. 2. (a) The Postmaster General shall report to
7 the Congress and to the Bureau of the Budget as soon as
8 practicable after the close of the fiscal year ending June 30,
9 1944, and within ninety days after the close of each sub-
10 sequent fiscal year, the number of envelopes, labels, wrap-
11 pers, cards, and other articles bearing such penalty indicia
12 used during such fiscal year by each executive department
13 and agency, by each independent establishment, and by each
14 organization and person authorized by law to use the penalty
15 privilege.

16 (b) The Postmaster General shall, beginning with the
17 fiscal year beginning July 1, 1944, report quarterly to the
18 Congress and the Bureau of the Budget the number of
19 envelopes, labels, wrappers, cards, and other articles bearing
20 such penalty indicia procured or accounted for, through him,
21 by each such department, agency, establishment, and other
22 organization and person, together with the estimated number
23 of pieces and weight of matter mailed free of postage under
24 the penalty privilege and the estimated cost of handling such

1 matter as determined by the cost ascertainment procedure
2 of the Post Office Department.

3 (c) Based on the estimated cost determined in accord-
4 ance with subsection (b), each such department, agency,
5 and independent establishment, except the Post Office De-
6 partment, shall include in its annual estimates of appropria-
7 tions an amount representing the anticipated costs to the
8 Post Office Department of handling the penalty mail of such
9 department, agency, or independent establishment.

10 (d) Within thirty days following determination and
11 advice by the Postmaster General of the estimated cost of
12 handling the penalty mail, each such department, agency,
13 and independent establishment shall deposit in the general
14 funds of the Treasury as miscellaneous receipts from its
15 appropriations an amount equivalent to such costs.

16 SEC. 3. On and after August 1, 1944, no article or
17 package of official matter, or number of articles or packages
18 of official matter constituting in fact a single shipment,
19 exceeding four pounds in weight shall be admitted to the
20 mails under the penalty privilege, except (1) stamped paper
21 and supplies sold or used by the postal service; and (2) books
22 and documents published or circulated by order of Congress
23 when mailed by the Superintendent of Public Documents
24 or under the franking privilege.

25 SEC. 4. (a) Official matter not within the provisions

1 of section 3 which is over four pounds in weight, if other-
2 wise mailable, whether sealed or unsealed, including written
3 matter, shall, if such matter does not exceed the limit of
4 weight or size prescribed for fourth-class matter, be accepted
5 for mailing upon the payment of postage at fourth-class
6 rates.

7 (b) Shipments of official matter shall be sent by the
8 most economical means of transportation practicable, and
9 the Postmaster General may refuse to accept any such matter
10 for shipment by mail when in his judgment it is in the
11 public interest that it be forwarded by other means at less
12 expense.

13 SEC. 5. Sections 1 and 2 of this Act shall not apply to
14 the Department of War and the Department of the Navy for
15 the duration of the present war and six months thereafter.

16 SEC. 6. All executive departments and agencies, all
17 independent establishments of the Government, and all
18 other organizations and persons authorized by law to use the
19 penalty privilege, are directed to supply as soon as practicable,
20 all necessary information requested by the Post Office De-
21 partment to carry out the provisions of this Act.

22 SEC. 7. There are authorized to be appropriated such
23 sums as may be necessary to carry out the provisions of this
24 Act.

25 SEC. 8. This Act shall take effect July 1, 1944.

78TH CONGRESS
2D Session

H. R. 4033

[Report No. 1011]

A BILL

Relating to the use of the penalty mail
privilege.

By Mr. BURCH of Virginia

JANUARY 21, 1944

Referred to the Committee on the Post Office and
Post Roads

JANUARY 24, 1944

Committed to the Committee of the Whole House on
the state of the Union and ordered to be printed

agencies; to the Committee on the Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

By Mr. MURRAY of Tennessee: Committee on the Post Office and Post Roads. H. R. 4033. A bill relating to the use of the penalty mail privilege; without amendment (Rept. No. 1011). Referred to the Committee of the Whole House on the state of the Union.

Mr. PETERSON of Florida: Committee on the Public Lands. H. R. 7956. A bill for the protection of the water supply of the city of Sitka, Alaska; with amendment (Rept. 1012). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California: H. R. 4039. A bill authorizing the Secretary of War to conduct a preliminary examination and survey of Pillar Point at Half Moon Bay, San Mateo County, Calif., and for other purposes; to the Committee on Rivers and Harbors.

By Mr. CARLSON of Kansas: H. R. 4040. A bill to provide for the simplification of the individual income tax; to the Committee on Ways and Means.

By Mr. BUFFETT: H. R. 4041. A bill to amend the act relating to the construction and maintenance of a bridge across the Missouri River at or near Nebraska City, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. FLANNAGAN: H. R. 4042. A bill to amend the act of September 16, 1942, which provided a method of voting in time of war by members of the land and naval forces absent from the place of their residence, and for other purposes; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. GATHINGS: H. R. 4043. A bill to provide for the sale of surplus war materials in small units after the present war, to grant veterans preferential rights to purchase such materials, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. HAGEN: H. R. 4044. A bill conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon claims of Indians whose nations, tribes, or bands formerly were members of what was sometimes known as the Northern Indian Confederacy, and for other purposes; to the Committee on Indian Affairs.

By Mr. LUDLOW: H. R. 4045. A bill to authorize the issuance of drill sergeant's medals; to the Committee on Military Affairs.

By Mr. BEALL: H. R. 4051. A bill to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans; to the Committee on World War Veterans' Legislation.

By Mr. HAYS: H. R. 4052. A bill to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans; to the Committee on World War Veterans' Legislation.

By Mr. LANE: H. R. 4053. A bill to provide Federal Government aid for the readjustment in civilian

life of returning World War No. 2 veterans; to the Committee on World War Veterans' Legislation.

By Mr. LARCADE: H. R. 4054. A bill to extend the times for commencing and completing the construction of a bridge across the Calcasieu River at or near Lake Charles, La.; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of California: H. R. 4055. A bill to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans; to the Committee on World War Veterans' Legislation.

By Mr. STEARNES of New Hampshire: H. R. 4056. A bill to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans; to the Committee on World War Veterans' Legislation.

By Miss STANLEY: H. Con. Res. 65. Concurrent resolution to establish a joint committee on post-war planning; to the Committee on Rules.

By Mr. SUMNERS of Texas: H. Res. 406. Resolution authorizing the Committee on the Judiciary to investigate the official conduct of Albert W. Johnson and Albert L. Watson, district judges of the United States District Court for the Middle District of Pennsylvania; to the Committee on the Judiciary.

H. Res. 407. Resolution to provide for expenses of investigation authorized by House Resolution 406; to the Committee on Accounts.

By Mr. COLMER: H. Res. 408. Resolution to create a special committee on post-war economic policy and planning; to the Committee on Rules.

By Mr. JOHNSON of Oklahoma: H. Res. 409. Resolution creating a select committee on post-war planning; to the Committee on Rules.

By Mr. RANKIN: H. Res. 410. Resolution to amend clause 40, rule XI, of the rules of the House of Representatives of the Seventy-eighth Congress; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LEONARD W. HALL: H. R. 4046. A bill for the relief of Leo Gottlieb; to the Committee on Claims.

By Mr. LUDLOW: H. R. 4047. A bill for the relief of Marie Vickers and Irene Outten; to the Committee on War Claims.

By Mr. PETERSON of Florida: H. R. 4048. A bill for the relief of Daniel S. Bagley, Jr.; to the Committee on Claims.

By Mr. REES of Kansas: H. R. 4049. A bill for the relief of Alfred F. Ross; to the Committee on Claims.

By Mr. PETERSON of Florida: H. R. 4050. A bill for the relief of Leo Edward Day and Phillip Tamborello; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4444. By Mr. ANGELL: Petition of certain citizens of Portland, Oreg., asking for legislation to formulate a plan to save the surviving Jewish people of Europe; to the Committee on Immigration and Naturalization.

4445. By Mr. DIMOND: Petition of sundry citizens of Alaska, urging the passage of House bill 2082; to the Committee on the Judiciary.

4446. By Mr. FORAND: Resolution of the city council of the city of Providence, R. I., requesting the Members of Congress representing the State of Rhode Island to sponsor and promote the necessary legislation to the end that a veterans' hospital be erected within the State of Rhode Island; to the Committee on World War Veterans' Legislation.

4447. Also, resolution of the General Assembly of the State of Rhode Island, urging the Senators and Representatives from Rhode Island in the Congress of the United States to bring their influence to bear that action may be taken by the Federal Housing authorities to grant some form of priority to the immediate families of men and women in the service of the armed forces endeavoring to find residence in Rhode Island in the quarters of the housing projects developed by the Federal Housing authorities in Rhode Island; to the Committee on Appropriations.

4448. Also, resolution of the General Assembly of Rhode Island, protesting to the Congress of the United States against the enactment of pending House bill 2082 and any legislation having as its purpose any prohibition of the manufacture or the sale or the transportation of intoxicating liquors for beverage purposes; to the Committee on the Judiciary.

4449. Mr. GOODWIN: Resolution of the executive committee of the Disabled American Veterans, Department of Massachusetts, with reference to hospitalization, adopted January 8, 1944, at Boston, Mass.; to the Committee on World War Veterans' Legislation.

4450. By Mr. HAGEN: Petition of Bert Berg, Mary L. Burgland, and 24 other petitioners, all from Thief River Falls, Minn., urging passage of the Townsend bill, H. R. 1649, as a contribution to America's post-war future; to the Committee on Ways and Means.

4451. Also, petition of Mr. and Mrs. Andrew Hanson and Mr. and Mrs. Elias Angell, and 22 petitioners, all from Thief River Falls, Minn., urging the passage of House bill 1701, a bill to protect and enhance the social-security benefits to all persons inducted into the military service, and to provide a cushion for post-war conditions; to the Committee on Ways and Means.

4452. By Mr. LUDLOW: Petition of sundry citizens of the city of Indianapolis, Ind., favoring Senate bill 860; to the Committee on the Judiciary.

4453. By Mr. McGregor: Petition of the membership of the Baptist Church in Pike Township, Tunnel Hill, Ohio, urging enactment of House bill 2082, to prohibit the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war and until the termination of demobilization; to the Committee on the Judiciary.

4454. Also, petition of the membership of the Creek Church, Pike Township, Frazeyburg, Ohio, urging enactment of House bill 2082 to prohibit the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war and until the termination of demobilization; to the Committee on the Judiciary.

4455. By Mr. MOTT: Petition signed by Albert Schliermeister, of Lillamina, Oreg., and 52 other citizens of the State of Oregon, urging enactment of House bill 2082 and Senate bill 860; to the Committee on the Judiciary.

4456. By Mr. ROLPH: Resolution 3725, of the city and county of San Francisco, series 1939, relative to payment of taxes on Government property in city and county of San Francisco; to the Committee on the Public Lands.

4457. Also, petition of the Pile Drivers, Bridge, Wharf and Dock Builders, Local Union 34, of California, at San Francisco, to assure a vote in 1944 to all members in the armed forces; to the Committee on Elections.

4458. Also, resolution of the San Francisco Typographical Union, No. 21, opposing the inclusion in the new tax bill of provision requiring labor unions to file financial statements with the Treasury; to the Committee on Ways and Means.

4459. Also, resolution of the city and county of San Francisco Board of Supervisors, adopted January 10, 1944, commending the Senate Committee on Education and Labor for making inquiries into the problems of the white-collar workers; to the Committee on Education.

4460. Also, resolution of the United Office and Professional Workers of America, at San Francisco, Calif., urging speedy enactment of the bill which provides for the setting up of a bipartisan Federal commission to arrange and carry through voting by men and women in the service; to the Committee on Election of President, Vice President, and Representatives in Congress.

4461. By Mr. SCHIFFLER: Petition of Seymour Shaw, president, B'nai B'rith, Wheeling Lodge, No. 615, and 84 members, of Wheeling, W. Va., urging that appropriate action be taken to insure the withdrawal of the Palestine White Paper of 1939 in its entirety; that the terms of the Balfour Declaration and the Palestine mandates be implemented and carried out faithfully to the end; and that Palestine may continue to remain open to unrestricted Jewish immigration, etc.; to the Committee on Foreign Affairs.

4462. Also, petition of Mrs. W. A. Cole and other residents of Elm Grove, W. Va., urging the passage of House bill 2082; to the Committee on the Judiciary.

4463. By Mrs. SMITH of Maine: Petition of Wilfred Cote, of Augusta, Maine, and other citizens, protesting against consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4464. Also, petition of Robert Baltier, of Randolph, Maine, and other citizens, protesting against the consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4465. Also, petition of E. C. Jones, of Washington, Maine, and other citizens, protesting against the consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4466. Also, petition of Albert Ducharme, of Lewiston, Maine, and other citizens, protesting against the consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4467. Also, petition of Rosario Houle, of Lewiston, Maine, and other citizens, protesting against the consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4468. By Mr. TREADWAY: Petition of sundry citizens of Berkshire County, Mass., urging the enactment of legislation to permit members of the armed forces to vote in the coming national election; to the Committee on Election of President, Vice President, and Representatives in Congress.

4469. By Mr. WEAVER: Petition of the Pearce-Young-Angel Co., Asheville, N. C., and sundry other persons of western North Carolina, opposing the enactment of House bill 2082, known as the Bryson bill; to the Committee on the Judiciary.

4470. By Mr. WELCH: Resolution No. 3783, adopted by the San Francisco Board of Supervisors on January 10, 1944, commending the Senate Committee on Education and Labor for making inquiries into the problems

of the white-collar workers; to the Committee on Labor.

4471. By Mr. CHURCH: Petition of officers and employees of the Bastian-Blessing Co., of Chicago, Ill., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4472. Also, petition of Z. Goldman and 38 other citizens of Waukegan, Ill., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4473. Also, petition of Joseph F. Hein, of Chicago, and other citizens of Illinois, protesting against the enactment of prohibition legislation; to the Committee on the Judiciary.

4474. Also, petition of W. E. Flesch and other citizens of Illinois, protesting against enactment of prohibition legislation; to the Committee on the Judiciary.

4475. Also, petition of A. E. Ladish, of Wilmette, and other citizens of Illinois, protesting against the enactment of House bill 2082, the Bryson bill; to the Committee on the Judiciary.

4476. Also, petition of Walter H. Rudolph, of Chicago, and other citizens of Illinois, protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4477. Also, petition of Stanley Lee and other citizens of Illinois, protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4478. Also, petition of C. B. Zeller, of Chicago, and other citizens of Illinois, protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4479. Also, petition of Frank P. Speecher and other citizens of Chicago, Ill., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4480. Also, petition of Max I. Nevis and other citizens of Chicago, Ill., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4481. Also, petition of the Lincoln Park Post, No. 3564, Veterans of Foreign Wars, of Chicago, Ill., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4482. Also, petition of the Budlong District Post, No. 837, American Legion, of Chicago, Ill., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4483. Also, petition of W. J. Mailhoit and other citizens of Chicago, Ill., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4484. Also, petition of the W. A. C. Social Club of Chicago, Ill., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4485. Also, petition of James Marcinkus and other citizens of Chicago, Ill., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4486. Also, petition of Stanley Zack and other citizens of Chicago, Ill., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4487. Also, petition of Edward J. Dougherty and other citizens of Chicago, Ill., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4488. Also, petition of the Saltimieras Radio Club of Chicago, Ill., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4489. Also, petition of the American Lithuanian Service Mothers of Chicago, Ill., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4490. Also, petition of the American Legion, North Center Post, No. 356, of Chicago, Ill., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4491. Also, petition of G. Miller, of Chicago, and other citizens of Illinois, protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4492. Also, petition of Max G. Schucorlein and other citizens of Chicago, Ill., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4493. Also, petition of Florabelle Meyer and other citizens of Chicago, Ill., protesting against enactment of prohibition legislation; to the Committee on the Judiciary.

4494. Also, petition of Anne Hennigan and other citizens of Chicago, Ill., protesting against enactment of prohibition legislation; to the Committee on the Judiciary.

4495. Also, petition of Mrs. E. Kelley and other citizens of Illinois, protesting against prohibition legislation; to the Committee on the Judiciary.

4496. Also, petition of Catherine Keefe and other citizens of Chicago, Ill., protesting against prohibition legislation; to the Committee on the Judiciary.

4497. Also, petition of Mildred Wilson-Porteous and other citizens of Chicago, Ill., protesting against enactment of prohibition legislation; to the Committee on the Judiciary.

4498. By Mr. BLOOM: Petition of the American Labor Party, signed by Martin Scher, legislative chairman, ninth assembly district, New York City, containing resolutions regarding pending legislation which were adopted at a meeting sponsored by the American Labor Party Clubs of the seventh, ninth, and eleventh assembly districts of New York City; to the Committee on Election of President, Vice President, and Representatives in Congress.

4499. By the SPEAKER: Petition of Mrs. J. C. Foosse, of Williamsport, Pa., and sundry citizens, petitioning consideration of their resolution with reference to House bill 2082; to the Committee on the Judiciary.

4500. Also, petition of the National Association for the Calling of a United States Constitutional Convention, New York, N. Y., petitioning consideration of their resolution with reference to the soldier-vote bill; to the Committee on Election of President, Vice President, and Representatives in Congress.

4501. Also, petition of the building and construction trades department, American Federation of Labor, Washington, D. C., petitioning consideration of their resolution with reference to the so-called locality wage boards, to the Committee on Military Affairs.

4502. Also, petition of the clerk of the county of Ottawa, State of Michigan, petitioning consideration of the resolution with reference to House bill 3420; to the Committee on Interstate and Foreign Commerce.

4503. Also, petition of the city clerk of Milwaukee, Wis., petitioning consideration of the resolution with reference to the soldier-vote bill; to the Committee on Election of President, Vice President, and Representatives in Congress.

4504. Also, petition of the American Free World Association, New York City and Washington, D. C., petitioning consideration of their resolution with reference to the Green-Lucas soldier-vote bill; to the Committee on Election of President, Vice President, and Representatives in Congress.



ASSISTING IN RELIEVING ECONOMIC DISTRESS IN PUERTO RICO

The Clerk called the next bill, S. 981, to assist in relieving economic distress in Puerto Rico.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MILLER of Nebraska. Mr. Speaker, reserving the right to object, I wish someone would explain this bill.

Mr. McGEHEE. Mr. Speaker, I may say to the membership of the House that S. 981 was considered by the Insular Affairs Committee of the House and is before us with a favorable report together with amendments. The excise taxes that are being collected by Puerto Rico from products that are manufactured there and shipped to this country are being held in the Puerto Rican treasury, under the provisions of the basic act. For many years those taxes did not amount to so much. During the year 1942 they ran from \$400,000 to \$800,000 per month, but in 1943 they began to go up. In February 1943 they amounted to \$1,193,813, and in August to \$4,941,465.

The total in 1941 was \$7,885,000, in 1942, \$11,697,000, and in 1943, \$39,850,000.

The prospects this year are that the total will run to between fifty and sixty million dollars. Those are collections principally from the rum tax.

Heretofore all aid that has been given by this Government to Puerto Rico in helping them in their economic distress and in their unemployment situation has been paid by our National Government through appropriations made by the Congress. The total expenditures that would be necessary for Puerto Rico in the maintenance of its government should not run over \$50,000,000 a year; hence if the prospects are that this rum tax will continue running from \$40,000,000 to \$60,000,000 or \$70,000,000 for the next 2 or 3 years, it is more money than they will need for their entire budget. Yet they will continue to collect several million dollars through their local taxes. Mr. Speaker, those of us who visited Puerto Rico this past summer, under the mandate of the Congress to investigate the political and social conditions of the island, found a condition of waste, unheard-of attempted social reforms, waste and extravagance in expenditures of moneys by the party in power, evidently in the hope of perpetuation, none of which would be approved by the membership of Congress. Hence, the Committee on Insular Affairs, in considering this bill (S. 981), which is to assist in relieving economic distress in Puerto Rico, thought it wise that the Congress hold these funds that are being collected from the rum tax and other excise taxes, half of them to be placed in the Puerto Rican treasury and half placed in the Treasury of the United States. This money is still in the hands of the Congress, and can be utilized by it as it sees fit by future appropriation if, in its wisdom, it feels Puerto Rico is entitled to it.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. McGEHEE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. In other words, at the present time the Federal statute provides that all taxes collected under the internal revenue laws of the United States on articles produced in Puerto Rico and transported to the United States or consumed in the islands shall be covered into the treasury of Puerto Rico.

Mr. McGEHEE. That is the present law.

Mr. CRAWFORD. What the committee desires to do here, and because of the reasons the gentleman has so well stated, is to change the present law so that 50 percent of the Puerto Rican export taxes on rum, cigarettes, cigars, and tobacco shall be placed under the control of the Congress of the United States, so that the Congress will have disposition of those funds for the benefit of the island of Puerto Rico and its people, according to the judgment of the Congress, thereby arranging matters so that the Puerto Rican Legislature cannot waste these funds in any way on projects and then come back to the Congress and ask us to make up whatever deficit they have, in order to care for their people. That is the real meaning of this bill.

Mr. MARCANTONIO. Reserving the right to object, Mr. Speaker, I regret exceedingly that I have to disagree with the gentleman who is presenting this bill, because I have the highest regard for him, but I feel that the economic aspects of Puerto Rico, which I hope to explain very shortly in a speech to this House, do not warrant taking these funds away from the Puerto Rican people. The money that has been collected under these taxes on rum by Puerto Rico has for years been used by the Puerto Rican government for local improvement and for carrying on many of the necessary activities of the government. Further, we are unduly interfering with the government of Puerto Rico by doing this. We are invading whatever little sovereignty we have left to it. We are taking away from Puerto Rico practically its only source of income. I think it is a serious and tragic error to pass this bill, and I must object to its consideration despite my high regard for the gentleman from Mississippi [Mr. McGEHEE].

The SPEAKER pro tempore. Objection is heard.

AMENDING SECTION 214 OF THE ACT OF FEBRUARY 28, 1925

The Clerk called the next bill, H. R. 3870, to amend section 214 of the act of February 28, 1925.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, effective July 1, 1943, section 214 of the act of February 28, 1925 (43 Stat. 1069; 39 U. S. C. 826), is amended to read as follows:

"The Postmaster General is hereby authorized to continue the work of ascertaining the revenues derived from and the cost of carrying and handling the several classes of mail matter and of performing the special services, and to state the results annually and pay the cost thereof out of the departmental and field appropriations of the several bureaus of the department supervising or conducting the studies."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING PUBLIC LAW 537, SEVENTY- SEVENTH CONGRESS, APPROVED MAY 2, 1942

The Clerk called the next bill, H. R. 2903, to amend Public Law 537, Seventy-seventh Congress, approved May 2, 1942.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, the report on this bill conflicts with the Ramseyer rule. Therefore, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

ARKANSAS-MISSISSIPPI BRIDGE COMMISSION

The Clerk called the next bill, S. 1255, to revive and reenact the act entitled "An act creating the Arkansas-Mississippi Bridge Commission; defining the authority, power, and duties of said Commission; and authorizing said Commission and its successors and assigns to construct, maintain, and operate a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., and for other purposes," approved May 17, 1939.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Reserving the right to object, Mr. Speaker, I should like to ask a question of the author of this bill, if he is present. The bill states that the work shall be commenced within 1 year and completed within 3 years from the date of the enactment of this act. Suppose the bridge is commenced and is only half or two-thirds completed at the end of the 3-year period? Under the wording of this bill, it would have to hang there forever, and the money would be wasted.

Mr. BOREN. The proviso to which the gentleman refers is the customary proviso that is placed in these bills to guarantee fulfillment of the purpose for which the legislation is designed. If a situation such as the gentleman points out should arise, the Congress would act expeditiously to settle the matter. It would be a mere matter of form, and has been done very many times heretofore.

Mr. CUNNINGHAM. The gentleman has no doubt but that that would be done?

Mr. BOREN. If such a situation should arise within 30 or 60 days in advance of the expiration of the term we would pass a bill extending the period. We felt that despite the fact this is a war period, in which the bridge may not be immediately commenced, it is wise to keep the regular provision in the bill. We can meet that contingency if it should arise.

Mr. CUNNINGHAM. I withdraw my reservation of objection, Mr. Speaker.

The **SPEAKER** pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act approved May 17, 1939, heretofore extended by acts of Congress approved May 27, 1940, and July 14, 1941, creating the Arkansas-Mississippi Bridge Commission and authorizing such Commission to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River, at or near Friar Point, Miss., and Helena, Ark., be, and is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years from the date of approval hereof.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS THE MISSOURI RIVER, RANDOLPH, MO.

The Clerk called the next bill, S. 1504, to extend the time for completing the construction of a railroad bridge across the Missouri River at or near Randolph, Mo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the time for completing the construction of the railroad bridge and approaches thereto across the Missouri River at or near Randolph, Mo., authorized to be constructed, maintained, and operated by Frank O. Lowden, James E. Gorman, and Joseph B. Fleming, trustees of the estate of The Chicago, Rock Island & Pacific Railway Co., their successors and assigns, by an act of Congress approved August 7, 1939, heretofore extended by act of Congress approved June 6, 1940, is hereby further extended 4 years from August 7, 1944.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS THE MISSISSIPPI RIVER, SAUK RAPIDS, MINN.

The Clerk called the next bill, H. R. 3028, to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Sauk Rapids, Minn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the time for commencing and completing the construction of a bridge across the Mississippi River, at or near Sauk Rapids, Minn., authorized to be built by the Minnesota Department of Highways and the counties of Benton and Stearns in Minnesota, by an act of Congress approved October 9, 1940, are hereby extended 1 and 3 years, respectively, from October 9, 1943.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendments:

On page 1, strike out "commencing and." Line 8, strike out "are" and insert "is", and strike out "one and."

Line 9, strike out the comma and the word "respectively."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to extend the time for completing the construction of a bridge across the Mississippi River at or near Sauk Rapids, Minn."

BRIDGE ACROSS ST. LAWRENCE RIVER, OGDENSBURG, N. Y.

The Clerk called the next bill, H. R. 3164, to revive and reenact the act entitled "An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y., and for other purposes," approved June 14, 1933.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act approved June 14, 1933, as amended (heretofore extended by acts of Congress approved June 8, 1934, May 28, 1935, April 11, 1936, August 12, 1937, April 26, 1939, June 8, 1940, and August 21, 1941), creating the Saint Lawrence Bridge Commission and authorizing said Commission and its successors to construct, maintain, and operate a bridge across the Saint Lawrence River at or near Ogdensburg, N. Y., be, and is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 2 years and completed within 4 years from the date of approval hereof.

The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to revive and reenact the act entitled 'An act creating the St. Lawrence Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.,' approved June 14, 1933, as amended."

BUREAU OF ENGRAVING AND PRINTING

The Clerk called the next bill, S. 1447, to remit claims of the United States on account of overpayments to part-time charwomen in the Bureau of Engraving and Printing, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That remission is hereby made of any and all claims of the United States in consequence of payments of wages at the rate of 78 cents an hour, rather than at some lower rate or rates, for work performed during the period from August 1, 1942, to June 30, 1943, both dates inclusive, by part-time charwomen employed in the Bureau of Engraving and Printing of the Treasury Department. Remission is hereby made of any and all claims of the United States in consequence of payments of wages for hours of work in any one week in excess of 40 at the overtime rate of one and one-half times the rates at which payments were made for the first 40 hours of work in that week, rather than at some lower rate or rates, for work performed on or after December 22, 1942, by any of said part-time charwomen pur-

suant to temporary details (pending promotions) to assignments requiring 48 hours' work in 1 week. Said remissions are hereby made, notwithstanding any determination that the rate or rates at which said payments of wages were made is or are in excess of the rate or rates of pay established by law for said employment: *Provided*, That if said payments of wages at said rate of 78 cents an hour and at said overtime rate are otherwise correct, the Comptroller General is hereby authorized and directed to allow credit therefor in the accounts of the officers accountable therefor, to make no charge against any certifying officer because of certification of said payments of wages, and to remove every charge, if any, heretofore made against any certifying officer because of certification of said payments of wages.

Sec. 2. Nothing in this act shall be deemed to authorize the refund of any amounts heretofore withheld or deducted from wages paid to any of said part-time charwomen for work performed after June 30, 1943, in satisfaction or partial satisfaction of any and all claims or asserted claims of the United States in consequence of said payments of wages at said rate of 78 cents and at said overtime rate.

Mr. PRIEST. Mr. Speaker, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. PRIEST: On page 2, line 21, strike out all of section 2. Insert in lieu thereof:

"Sec. 2. The Secretary of the Treasury is hereby authorized and directed to make refunds of any and all amounts heretofore withheld or deducted from wages paid to any of said part-time charwomen for work performed after June 30, 1943, in satisfaction or partial satisfaction of any and all claims or asserted claims of the United States in consequence of said payments of wages at said rate of 78 cents and at said overtime rate. The annual appropriation for salaries and expenses, Bureau of Engraving and Printing, 1944, is hereby made available to the extent of \$700 for the purpose of making said refunds as herein provided."

Mr. PRIEST. Mr. Speaker, just by way of explanation, the House bill that passed on December 6, 1943, contained the language of this amendment. The purpose of offering this amendment is merely to make the Senate bill conform to the House bill previously passed.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

USE OF THE PENALTY MAIL PRIVILEGE

The Clerk called the next bill, H. R. 4033, relating to the use of the penalty mail privilege.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all envelopes, labels, wrappers, cards, and other articles, bearing the indicia prescribed by law for matter mailed free of postage under the penalty privilege by all executive departments and agencies, all independent establishments of the Government, and all other organizations and persons authorized by law to use the penalty privilege, shall be procured or accounted for through the Postmaster General under such regulations as he shall prescribe. The head of each such department, agency, establishment, or other organization, or each such person, shall submit to the Postmaster General within 60 days after the close of each fiscal year a statement showing the number of envelopes, labels, wrappers, cards, and

other articles bearing such indicia on hand at the close of such fiscal year.

SEC. 2. (a) The Postmaster General shall report to the Congress and to the Bureau of the Budget as soon as practicable after the close of the fiscal year ending June 30, 1944, and within 90 days after the close of each subsequent fiscal year, the number of envelopes, labels, wrappers, cards, and other articles bearing such penalty indicia used during such fiscal year by each executive department and agency, by each independent establishment, and by each organization and person authorized by law to use the penalty privilege.

(b) The Postmaster General shall, beginning with the fiscal year beginning July 1, 1944, report quarterly to the Congress and the Bureau of the Budget the number of envelopes, labels, wrappers, cards, and other articles bearing such penalty indicia procured or accounted for, through him, by each such department, agency, establishment, and other organization and person, together with the estimated number of pieces and weight of matter mailed free of postage under the penalty privilege and the estimated cost of handling such matter as determined by the cost ascertainment procedure of the Post Office Department.

(c) Based on the estimated cost determined in accordance with subsection (b), each such department, agency, and independent establishment, except the Post Office Department, shall include in its annual estimates of appropriations an amount representing the anticipated costs to the Post Office Department of handling the penalty mail of such department, agency, or independent establishment.

(d) Within 30 days following determination and advice by the Postmaster General of the estimated cost of handling the penalty mail, each such department, agency, and independent establishment shall deposit in the general funds of the Treasury as miscellaneous receipts from its appropriations an amount equivalent to such costs.

SEC. 3. On and after August 1, 1944, no article or package of official matter, or number of articles or packages of official matter constituting in fact a single shipment, exceeding 4 pounds in weight shall be admitted to the mails under the penalty privilege, except (1) stamped paper and supplies sold or used by the postal service; and (2) books and documents published or circulated by order of Congress when mailed by the Superintendent of Public Documents or under the franking privilege.

SEC. 4. (a) Official matter not within the provisions of section 3 which is over 4 pounds in weight, if otherwise mailable, whether sealed or unsealed, including written matter, shall, if such matter does not exceed the limit of weight or size prescribed for fourth-class matter, be accepted for mailing upon the payment of postage at fourth-class rates.

(b) Shipments of official matter shall be sent by the most economical means of transportation practicable, and the Postmaster General may refuse to accept any such matter for shipment by mail when in his judgment it is in the public interest that it be forwarded by other means at less expense.

SEC. 5. Sections 1 and 2 of this act shall not apply to the Department of War and the Department of the Navy for the duration of the present war and 6 months thereafter.

SEC. 6. All executive departments and agencies, all independent establishments of the Government, and all other organizations and persons authorized by law to use the penalty privilege, are directed to supply as soon as practicable, all necessary information requested by the Post Office Department to carry out the provisions of this act.

SEC. 7. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

SEC. 8. This act shall take effect July 1, 1944.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WATER SUPPLY OF THE CITY OF SITKA, ALASKA

The Clerk called the bill (H. R. 2956) for the protection of the water supply of the city of Sitka, Alaska.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, I reserve the right to object. Will the gentleman from Alaska tell us whether the city of Sitka, Alaska, is supplied by private water companies or by a municipally owned company?

Mr. DIMOND. The city of Sitka is supplied by a municipally owned water company, which was formerly under private control.

Mr. KEAN. I withdraw my reservation of objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted etc., That the tract of land hereinafter described, situated in the Territory of Alaska, is hereby reserved from all forms of location, entry, or appropriation, whether under the mineral or nonmineral land laws of the United States, and set aside as a municipal water-supply reserve for the use and benefit of the people of the city of Sitka, a municipal corporation of the Territory of Alaska, as follows, to wit: Beginning at corner numbered 1, identical with milepost 1, one line of United States Survey 1763 between corners numbered 2 and 3, thereof; thence north sixty-four degrees fifty-five minutes fifty seconds east twenty-seven and seventy one-hundredths chains to corner numbered 2 identical with corner numbered 3 of United States Survey Numbered 1763; thence following the summit of the drainage area of Cascade Creek approximately five and one-half miles to corner numbered 3; thence south ten degrees east approximately seventy chains to corner numbered 4 at diversion dam on Cascade Creek; thence south thirty degrees east approximately twenty-five chains to corner numbered 5; thence south seventy degrees east approximately eighty-three chains to corner numbered 1, the place of beginning and containing approximately three thousand two hundred and thirty-five acres.

SEC. 2. The lands hereinbefore described and reserved for municipal water-supply purposes, which are partly within the Tongass National Forest, shall be administered by the Secretary of Agriculture, for the purpose of storing, conserving, and protecting from pollution the said water supply, and preserving, improving, and increasing the timber growth on said lands, to more fully accomplish such purposes; and to that end said municipality shall have the right, subject to the approval of the Secretary of Agriculture, to the use of any and all parts of the lands reserved for the storage and conveying of water and construction and maintenance thereon of all improvements for such purposes: *Provided*, That the merchantable timber on the land to be used by the said municipality may be sold by the Secretary of Agriculture under rules and regulations to be prescribed by him: *And provided further*, That the right to the use by the city of Sitka of the lands reserved by this act shall terminate upon the abandonment of the use by such municipality in accordance with the terms of this act, and upon a finding of such nonuse or abandonment, for a period of 2 years, by the Secretary of Agriculture, whereupon the reser-

vation created by this act shall terminate to the extent of such lands involved.

SEC. 3. The Secretary of Agriculture is hereby authorized to prescribe and enforce such regulations as may be found necessary to carry out the purpose of this act, including the right to forbid persons other than those authorized by him and the municipal authorities of said municipal corporation from entering or otherwise trespassing upon these lands, and any violation of this act or of regulations issued thereunder shall be a misdemeanor and shall be punishable as is provided for in section 5050, Compiled Laws of Alaska, 1933.

SEC. 4. Nothing herein contained shall affect any valid right or claim to any part of said lands heretofore acquired under any law of the United States.

With the following committee amendments:

On page 1, line 10, strike out the word "one" and insert in lieu thereof the word "on."

On page 2, line 16, after the word "are", insert the word "partly."

At the end of the bill add a new section reading as follows:

"SEC. 5. This act shall not become operative as to the lands set aside for the use of the War Department under Executive Order 9114, until such area is removed from the status of a military reservation and shall not become operative with respect to any part of the water supply reserve lying within the area reserved for military purposes until relinquishment of such area from military control, otherwise it shall become effective immediately."

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING PAY ADJUSTMENT ACT OF 1942

The Clerk called the bill (H. R. 1506) to further amend the Pay Adjustment Act of 1942.

The SPEAKER. Is there objection?

Mr. CUNNINGHAM. Mr. Speaker, I reserve the right to object. The language of the bill is that this shall continue until the termination of the war, instead of the termination of hostilities, or 6 months thereafter. That may be too long a period of time.

Mr. SPARKMAN. Mr. Speaker, if the gentleman will yield, my impression is that the language in this amendment is the same language used in the Pay Adjustment Act, so far as the war is concerned. In other words, various provisions with reference to the Pay Adjustment Act have been tied in with the period of the war, and while I do not have the act before me now, it is my opinion that the language used here is exactly the same as in the act.

Mr. CUNNINGHAM. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection?

The Clerk read the bill as follows:

Be it enacted, etc., That section 3A, Public Law 785, Seventy-seventh Congress, approved December 2, 1942, is amended to read as follows:

"SEC. 3A. During the existence of any war declared by Congress and for 6 months immediately following the termination of such war, in computing the service for all pay purposes of officers paid under the provisions of section 1, 3, or 8 of this act, such officers, in

addition to the time required to be credited by such sections, shall be credited with full time for all periods during which they were enlisted or held appointments as warrant officers or Army field clerks, or as commissioned warrant officers in any of the services mentioned in the title of this act, or in the Regular Army Reserve, or in the Organized Militia prior to July 1, 1916, or in the National Guard, or in the National Guard Reserve, or in the National Guard of the United States, or in the Enlisted Reserve Corps, or in the Naval Militia, or in the National Naval Volunteers, or in the Naval Reserve Force, Naval Reserve, Marine Corps Reserve force, Marine Corps Reserve, Coast Guard Reserve, and the Reserve Corps of the Public Health Service, or in the Philippine Scouts, or in the Philippine Constabulary. The provisions of this section shall not be construed to permit any commissioned officer to receive pay and allowances in excess of the maximum limitations imposed upon the total pay and allowances of any rank or grade, by any of the provisions of this act.

With the following committee amendments:

Strike out all of lines 3, 4, and 5 of the bill and insert the following:

"That section 3A of the Pay Readjustment Act of 1942, as added by section 3 of the act of December 2, 1942 (Public Law 785, 77th Cong.), is hereby amended to read as follows:"

Strike out the word "officers" appearing in lines 9 and 10, page 1, of the bill, and substitute the word "persons" therefor in each place.

Strike out the words "or 8" appearing in line 10, page 1, of the bill and substitute therefor the words "8, or 9."

Strike out the words "such sections" appearing in line 11, page 1, of the bill and substitute therefor the words "the section under which they are paid."

Strike out the words "commissioned officer" appearing in line 15, page 2, of the bill and substitute therefor the word "person."

Strike out the words "any rank or grade" appearing in line 17, page 2, of the bill and substitute therefor the words "his rank, grade, or rating."

Change the period at the end of the bill appearing in line 18, page 2, to a comma and add the following: "nor to modify the character of service required for advancement of commissioned warrant officers to a higher pay period."

Add the following sections to the bill:

"SEC. 2. The sixth paragraph of section 8 of such act is hereby amended to read as follows:

"Every person paid under the provisions of this section shall receive an increase of 5 percent of the base pay of his period for each 3 years of service, not exceeding 30 years. Such service shall be: active Federal service in any of the services mentioned in the title of this act or Reserve components thereof; service in the active National Guard of the several States, Territories, and the District of Columbia; and service in the Enlisted Reserve Corps of the Army, the Officers' Reserve Corps of the Army, the Naval Reserve, the Marine Corps Reserve, and the Coast Guard Reserve: *Provided*, That commissioned warrant officers shall be credited only with all commissioned service in any of the services mentioned in the title of this act including commissioned service in the Reserve components thereof and the National Guard."

"SEC. 3. The third paragraph of section 9 of such act is hereby amended to read as follows:

"Every enlisted man paid under the provisions of this section shall receive an increase of 5 percent of the base pay of his grade for each 3 years of service up to 30

years. Such service shall be active Federal service in any of the services mentioned in the title of this act or Reserve components thereof; service in the active National Guard of the several States, Territories, and the District of Columbia; and service in the Enlisted Reserve Corps of the Army, the Officers' Reserve Corps of the Army, the Naval Reserve, the Marine Corps Reserve, and the Coast Guard Reserve."

"SEC. 4. The eleventh paragraph of section 1 and the first paragraph of section 3 of such act, as amended by the act of December 2, 1942, are each hereby further amended by inserting after the words 'Officers' Reserve Corps', where such words appear in each of those paragraphs, a comma and the following: 'or in the Medical Reserve Corps.'"

"SEC. 5. This act shall become effective as of June 1, 1942, but no back pay or allowances for any period prior to such date shall accrue by reason of the enactment of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTABLISHING A CHIEF OF CHAPLAINS, UNITED STATES NAVY

The Clerk called the bill (H. R. 1023) to establish a Chief of Chaplains of the United States Navy.

The SPEAKER. Is there objection?

Mr. VINSON of Georgia. Mr. Speaker, I reserve the right to object. The bill is presented by the distinguished gentleman from Pennsylvania [Mr. BRADLEY]. It is impossible for him to be here today. In view of the fact that he has an amendment to offer, I ask unanimous consent that the bill be passed over without prejudice, and I am hoping the Speaker may recognize him tomorrow morning for the purpose of asking unanimous consent for the consideration of the bill. I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

AMENDING NATIONALITY ACT OF 1940

The Clerk called the bill (H. R. 3722) to amend section 342 of the Nationality Act of 1940 in respect to fees for the issuance of the certificates of arrival.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (a) of section 342 of the Nationality Act of 1940, approved October 14, 1940 (54 Stat. 1161; U. S. C., title 8, sec. 742 (a)), be, and it hereby is, amended to read as follows:

"SEC. 342. (a) The clerk of each and every naturalization court shall charge, collect, and account for the following fees:

"(1) For receiving and filing a declaration of intention, and issuing a duplicate and triplicate thereof, \$3.

"(2) For making, filing, and docketing a petition for naturalization, \$8, including the final hearing on such petition, if such hearing be held, and a certificate of naturalization, if the issuance of such certificate is authorized by the naturalization court."

SEC. 2. Subsection (b) of section 342 of the Nationality Act of 1940, approved October 14, 1940 (54 Stat. 1161; U. S. C., title 8, sec. 742 (b)), is hereby amended by striking out subparagraph (2) thereof, which reads as follows: "For the issuance of each certificate of arrival, \$2.50." and by renumbering subparagraphs (3), (4), (5), (6), (7),

(8), and (9) as subparagraphs (2), (3), (4), (5), (6), (7), and (8).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING DEFENSE HIGHWAY ACT OF 1941

The Clerk called the bill (H. R. 3912) to amend section 6 of the Defense Highway Act of 1941, as amended.

The SPEAKER. Is there objection?

Mr. KEAN. I reserve the right to object. This bill provides for the authorization of \$25,000,000, and is evidently not a proper bill to have on the Consent Calendar. Therefore, I object.

LOSS OF UNITED STATES NATIONALITY

The Clerk called the bill (H. R. 4103) to provide for loss of United States nationality under certain circumstances.

The SPEAKER. Is there objection?

Mr. KEAN. Mr. Speaker, I reserve the right to object. This bill was put on the calendar on February 3, and I do not think it can be brought up today.

Mr. GEARHART. Mr. Speaker, I reserve the right to object. This deals with one of the most important subjects in respect to our citizenship. I do not think the bill should be called up. For that reason I object.

Mr. PRIEST. Mr. Speaker, I move that the call of the calendar be suspended after Calendar No. 230.

The SPEAKER. It will be suspended unless unanimous consent is provided otherwise. This bill is not properly before the House at this time.

EXTENSION OF REMARKS

Mr. BATES of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include an article appearing in the Polish Falcon of January 27, 1944.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

BOARD OF VISITORS, UNITED STATES NAVAL ACADEMY

The SPEAKER. Pursuant to the provision of title 34, section 1081, United States Code, the Chair appoints as members of the Board of Visitors to the United States Naval Academy the following Members of the House: Mr. SCHUETZ, Mr. SABATH, Mr. KING, Mr. BATES of Massachusetts, and Mr. STEFAN.

REVENUE ACT OF 1943—CONFERENCE REPORT

Mr. DOUGHTON. Mr. Speaker, I call up the conference report upon the bill (H. R. 3687) to provide revenue, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

(The Clerk proceeded to read the statement of the conferees.)

(For conference report and statement, see House proceedings of February 4, 1944.)

And he replied:

We have not been so successful as we would like to be. It is impossible to get people of that type at this time. It requires at least 2 years to train a man to do the work that a revenue agent does. But we are doing the best we can, and we are getting people when they are available to us. We have asked the revenue agents to contact accounting schools and other places where they might be able to get people of the type we need, and we have gone to the Civil Service Commission with our problem. We are undertaking to reach into the veterans' hospitals to get rehabilitated men who may have the qualifications we need. We are trying to get men wherever we can.

AN ENORMOUS LOAD

There is no doubt that the Internal Revenue Bureau has an enormous load, but its situation cannot be helped by our appropriating for positions that cannot be filled. With the recruitment problem as difficult as it is, we realized that we are not in a dreamland, and considered it to be our duty to face conditions realistically, and to appropriate to meet the reasonable requirements, leaving it to the Bureau to come up to Congress for a deficiency or supplemental appropriation if and when it finds that it needs more money.

We have continued internal revenue refunds as an indefinite appropriation, as these refunds are statutory, and must be paid, and no worth while purpose would be served by placing a definite limitation on the amount. The Bureau estimates the total refunds for the fiscal year 1945 at the astounding figure of \$781,620,000, compared with \$386,170,000 in the current fiscal year. The fact that 16,000,000 persons will receive withholding tax refunds is a staggering prospect. Many of these refunds will be small, but the smallest will have to be processed as meticulously as the largest.

REALLOCATIONS DENIED

The Commissioner of Narcotics, Mr. Antslinger, and the Chief of the Secret Service, Mr. Wilson, presented to us an appeal for reallocation of their field investigational agents so as to raise them to the C. A. F.-9 grade, carrying a salary of \$3,200 a year. Mr. Antslinger asked for \$47,753 to elevate 178 officers from grade C. A. F.-8, paying \$2,900, to grade C. A. F.-9. Mr. Wilson asked for \$44,250 to reallocate 152½ positions in the higher grade. Both made a very impressive argument, stating that they are losing many of their very best agents because of bids from private industry and because other Federal agencies toll them away with higher salaries.

We have lost about one-half of the force since the war started—

Said Chief Wilson—

and because of those losses I am greatly concerned right now when I send out some of our really difficult cases to be handled in the field. About one-half of the agents are what I would term new men, men appointed since the war, to replace those who have left, and I am afraid that someday some of these new men may fail to handle correctly some important case.

While we had no lack of sympathy for these appeals, we felt that it was beyond our province on an appropriation bill to correct inequalities in salaries that have

become maladjusted because of the war conditions. To do so would enter a very large field beyond the legitimate province of an appropriations committee. As the same, or similar, conditions must obtain in other governmental establishments we believed the proper course would be to present the matter to the regular legislative committee so that a solution might be reached that would be fair and equitable to all concerned.

We now come to title 2 of the bill, which is the Postal Service, and I yield myself 20 additional minutes.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield before he leaves the Treasury Department?

Mr. LUDLOW. I yield.

Mrs. ROGERS of Massachusetts. I am very much interested in the appropriation for the Secret Service, for they have done such a fine piece of work. I have been wondering whether, with the tremendous growth of the F. B. I. in the last few years, this organization has encroached upon the work of the Secret Service. I was wondering if the F. B. I. had taken any of their personnel.

Mr. LUDLOW. That did not develop in the hearings. I have heard nothing which causes me to believe that the F. B. I. is taking away the personnel of the Secret Service.

Mrs. ROGERS of Massachusetts. I thank the gentleman very much.

POSTAL ESTABLISHMENT A BILLION-DOLLAR INSTITUTION

Mr. LUDLOW. The United States Postal Service continues to be the biggest business in the world, growing by leaps and bounds. From the little string of 62 post offices on the Atlantic seaboard gathered together by Benjamin Franklin in 1775 and called a postal system, with two employees in the central office and a total personnel of only a few hundred, the organization has developed until there are now 42,680 post offices and 1,815 classified stations and branches and the number of persons required to operate the Service is 324,617, the equivalent of the population of a large city. On military leave alone there are 31,605 postal employees, all of whom are assured of their former positions when they return from the war. The volume of mail has attained staggering proportions, having increased more than 4,000,000,000 pieces during the last 2 years, from a grand total of 29,235,791,328 pieces in the fiscal year 1941 to a grand total of 33,392,314,802 in the fiscal year 1943, and postal volume is still swelling like a rolling snowball.

Financially, the postal picture is very bright. In the present fiscal year the Post Office Department has reached a landmark by becoming for the first time in its history a billion-dollar institution. The estimated postal revenue for the fiscal year 1944 is \$1,072,000,000 and the estimated postal expenditures are \$1,085,357,520, leaving an estimated deficit for the year of \$13,357,520. In the fiscal year 1943, for which the final figures are now available, there was an over-all postal surplus of \$1,332,849.51. Based on all dependable factors of information the Department estimates that in the fiscal year 1945 it will go into

the black again, with an estimated postal surplus for that year of \$10,411,010. The definite estimated figures for fiscal year 1945 are as follows: Accrued expenditure, \$1,114,588,990; postal revenue, \$1,125,000,000.

FROM RED TO BLACK

This transition from the red to the black in postal operations is being accomplished notwithstanding a great gorge of penalty mail is being put out by the Departments, bureaus, and other activities which brings in no postal revenue, and notwithstanding there is a vast amount of free soldier mail, exceeding 2,500,000,000 pieces on which the postage at normal rates would be \$75,000,000 a year. Postmaster General Walker told our subcommittee that of the entire volume of mail handled by the Department, it is estimated that 1 piece in 7 is now carried free.

PENALTY MAIL

This brings up the subject of the penalty mail, which has created so much comment. The testimony brought out before our subcommittee on this subject was voluminous and all contributed to the impression that many of the Government establishments, especially those of mushroom growth, are running hog wild in the matter of the issuance of free mail. Under existing law the sky is the limit on the use of penalty mail by the departments and activities of the Government. The number of pieces of free penalty mail issued during the fiscal year 1943 was 1,956,073,568, on which, if postage had been paid at regular rates, the estimated revenue would have been \$103,485,392. This is the all-time high for penalty mail. In 1938, only 5 years ago, the loss of revenue on account of penalty mail was \$34,166,751, or less than one-third of the loss in the fiscal year 1943. In the fiscal year 1942, when the number of pieces of penalty mail was 1,516,015,444, the estimated loss of revenue was \$67,334,355. In other words, the penalty mail loss increased \$36,151,037 in the last fiscal year, compared with the fiscal year 1942. Franked mail, the mail of Members of Congress, which receded to the low figure of 24,460,040 pieces in 1942, with an estimated loss of revenue of \$767,028, increased to 29,248,405 pieces in 1943, with an estimated postage equivalent of \$1,157,122. It is still running low as compared with some former years. In the fiscal year 1940, the last Presidential election year, the volume of franked mail was 45,136,539 pieces on which the postage at regular rates would have been \$1,217,561.

ABUSES NEED CORRECTION

The extent to which the penalty mail is being abused, as revealed in voluminous testimony taken before our subcommittee, indicated that it has reached a point where Congress should do something about it, but that is another story, as the initiation of legislation to curb penalty mail rests primarily with the House Committee on the Post Office and Post Roads, of which the distinguished gentleman from Virginia [Mr. BURCH] is chairman. Mr. BURCH and several of his associates of that committee conferred with our subcommittee in execu-

tive session, and as a result there was a meeting of minds which prompts me to predict with confidence that a reasonable solution of the penalty-mail problem may be expected at this session of Congress. The House already has started a corrective measure on the way to enactment. This measure passed the House by unanimous consent today. The nub of the proposal is that the bureaus shall be required to submit to Congress specific estimates for penalty mail to bring their postal requirements under close scrutiny by the Appropriations Subcommittees, which will then be in a position to make drastic cuts in penalty-mail operations which seem to be unreasonable and excessive. The War and Navy Departments probably will be exempted from whatever restrictive regulations may be adopted so as to avoid any interference with the war effort. This may be done with good grace, as those Departments are not among the serious offenders.

TEN INSPECTORS ALLOWED

We were faced with an estimate for 150 additional post-office inspectors at \$2,600 each, or a total salary obligation of \$390,000 annually. To that estimate we gave the utmost consideration, not only because of its importance per se, but because of the insistence with which it was urged by Mr. Walker, the Postmaster General Jesse M. Donaldson, the chief of post-office inspectors, and other officials. Mr. Donaldson testified that the work load would justify 318 additional inspectors. The Post Office Department has a rule that every post office in the country should be inspected at least once a year, but this rule is a dead letter because of a lack of inspection personnel and some post offices have not been inspected for years. Mr. Donaldson told our subcommittee:

Whenever an office is not visited annually or more frequently, the personnel in the office, responsible largely for the condition of the office, become more or less, let us say, careless in their efforts to keep on their toes with reference to operating the office in accordance with instructions of the department, and irregularities creep in. Our inability to reach these offices and inspect them each year and consult and advise with postmasters and employees as to methods and procedures, frequently results in embezzlements or bad conditions in the post offices.

DONALDSON "TOPS" AS OFFICIAL

There is no more capable official in the Postal Service than Mr. Donaldson, the chief inspector, and our subcommittee has the highest respect for his efficiency and zeal. He is a career man who has come up through the ranks, learning the Postal Service the hard way. Studiously inclined, he has mastered postal problems by intense application until he is recognized throughout the country as an outstanding authority on every branch and phase of the Postal Service.

But there were considerations which made us hesitate about adding such a large group of inspectors to the permanent salary roll of the Government, especially at a time when we feel that we should be zealously seeking ways to hold down appropriations to the lowest level.

Mr. JENSEN. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Iowa, a former member of the Committee on Post Offices and Post Roads, and an expert on postal matters.

Mr. JENSEN. I would like the gentleman to give the House the information as to how many additional inspectors are finally allowed the Post Office Department in this bill.

Mr. LUDLOW. We allowed 10 additional. They asked for 150 additional.

Mr. JENSEN. Just 10?

Mr. LUDLOW. Yes. If the gentleman will bear with me I will discuss that in just a moment.

Mr. JENSEN. I want to compliment the committee on cutting down the request of the Post Office Department because, certainly, when the manpower problem is so serious we cannot justify adding the number that they requested.

Mr. LUDLOW. I thank the gentleman for his contribution which I think is well founded in wisdom.

The inspection force already is a sizable force—800, to be exact. It is true that the opportunities of this force for service are practically unlimited and if the force were doubled or trebled there probably would still be unexplored avenues of useful employment, but it is an expensive force, since the salaries of inspectors is only one item, and for each additional inspector there must be added the cost of clerical assistance and travel allowance, mounting to a large figure in the aggregate. We have fewer post offices now than in 1914, when we had only 390 inspectors, though, of course, the inspection picture is a changing one, and the war has brought added responsibilities.

It cannot be said that we have not been liberal in building up this force. Over a period of years increases have been allowed in the force, as follows:

	Increase
1921.....	13
1923.....	50
1928.....	5
1937.....	35
1938.....	10
1939.....	7
1940.....	15
1941.....	35
1942.....	100
1944.....	50

Of the 150 additional inspectors estimated for by the Budget Bureau it was proposed to assign 4 to work in connection with military operations. We decided to authorize the appointment of these 4 and we allowed 6 additional for general assignments. This will build the force up to a total of 810 which we believe is as high as it should go at this time.

BUDGET PERSONNEL ESTIMATES APPROVED

For the great groups of postal personnel, the clerks at first- and second-class post offices, the carriers, the clerks at third-class post offices, the Rural Mail Service and the Railway Mail Service, we adopted the policy of allowing the Budget estimates. Past experience has shown that this is a sound policy and a wise procedure, as with the mails booming and the obligations of the Service constantly increasing the Budget estimates almost invariably prove to be below the actual requirements, making deficiency appro-

priations necessary. The officials who are charged with the responsibility of keeping the mails moving are permitted to meet those responsibilities as the necessity arises by putting on the additional personnel that is absolutely necessary and later they submit their estimates for the added costs to the Deficiencies Subcommittee when they have a better understanding as to exactly what is needed. This arrangement has been found to be satisfactory and it has the full approval of the Post Office Department. In this bill we have allowed the following amounts for the large postal personnel groups:

Clerks, first- and second-class post offices, \$309,970,500.

City delivery carriers, \$199,000,000.

Clerks, third-class post offices, \$11,500,000.

Rural Delivery Service, \$103,315,000.

Railway Mail Service, \$80,248,000.

As of November 30 last, there were 85,186 clerks, special clerks, and supervisors, and 59,347 city delivery carriers in the Service. The number of rural delivery carriers on July 1 last was 32,103.

RURAL DELIVERY MAIL

The amount we have allowed for the Rural Delivery Mail Service provides for the establishment of the following additional service during the next fiscal year:

Extensions, 4,000, at a cost of \$275,360.

New routes, 175, at a cost of \$285,250.

Increased frequencies, 20 routes, at a cost of \$15,443.

Total for new service, \$576,053.

This program for new service is substantially the same as during the fiscal years 1942 and 1943. The average annual cost of a new route is \$1,630 and the average cost of an extension is \$68.84. There are now 940 rural carriers in the military service whose places are being filled by temporary carriers.

STAR ROUTE SERVICE

We reduced the appropriation for Star Route Service from \$19,803,000, as estimated, to \$19,600,000, which still leaves \$607,000 available for new routes, extensions, and increases in frequencies.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Iowa.

Mr. JENSEN. Did the gentleman say the amount for Star Route Service had been decreased?

Mr. LUDLOW. The Budget estimate was decreased from \$19,803,000 to \$19,600,000, but this still leaves \$607,000 available for new routes, extensions, and increases in frequency. However, this is an increase of \$4,850,000 over the appropriation for 1944, made necessary largely, as I recall, by the prospect of large advances when the new contracts are let.

Mr. JENSEN. The reason I am asking the gentleman to yield on that point is simply that the star-route carriers up to this time, at least, have received very moderate pay compared with other postal services.

Mr. LUDLOW. That is right.

Mr. JENSEN. I am not saying that any of them receive too much, because I certainly know the postal employees

78TH CONGRESS
2D SESSION

H. R. 4033

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8 (legislative day, FEBRUARY 7), 1944

Read twice and referred to the Committee on Post Offices and Post Roads

AN ACT

Relating to the use of the penalty mail privilege.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That all envelopes, labels, wrappers, cards, and other articles,
4 bearing the indicia prescribed by law for matter mailed free
5 of postage under the penalty privilege by all executive de-
6 partments and agencies, all independent establishments of the
7 Government, and all other organizations and persons author-
8 ized by law to use the penalty privilege, shall be procured or
9 accounted for through the Postmaster General under such
10 regulations as he shall prescribe. The head of each such
11 department, agency, establishment, or other organization, or

1 each such person, shall submit to the Postmaster General
2 within sixty days after the close of each fiscal year a state-
3 ment showing the number of envelopes, labels, wrappers,
4 cards, and other articles bearing such indicia on hand at the
5 close of such fiscal year.

6 SEC. 2. (a) The Postmaster General shall report to
7 the Congress and to the Bureau of the Budget as soon as
8 practicable after the close of the fiscal year ending June 30,
9 1944, and within ninety days after the close of each sub-
10 sequent fiscal year, the number of envelopes, labels, wrap-
11 pers, cards, and other articles bearing such penalty indicia
12 used during such fiscal year by each executive department
13 and agency, by each independent establishment, and by each
14 organization and person authorized by law to use the penalty
15 privilege.

16 (b) The Postmaster General shall, beginning with the
17 fiscal year beginning July 1, 1944, report quarterly to the
18 Congress and the Bureau of the Budget the number of
19 envelopes, labels, wrappers, cards, and other articles bearing
20 such penalty indicia procured or accounted for, through him,
21 by each such department, agency, establishment, and other
22 organization and person, together with the estimated number
23 of pieces and weight of matter mailed free of postage under
24 the penalty privilege and the estimated cost of handling such

1 matter as determined by the cost ascertainment procedure
2 of the Post Office Department.

3 (c) Based on the estimated cost determined in accord-
4 ance with subsection (b), each such department, agency,
5 and independent establishment, except the Post Office De-
6 partment, shall include in its annual estimates of appropria-
7 tions an amount representing the anticipated costs to the
8 Post Office Department of handling the penalty mail of such
9 department, agency, or independent establishment.

10 (d) Within thirty days following determination and
11 advice by the Postmaster General of the estimated cost of
12 handling the penalty mail, each such department, agency,
13 and independent establishment shall deposit in the general
14 funds of the Treasury as miscellaneous receipts from its
15 appropriations an amount equivalent to such costs.

16 SEC. 3. On and after August 1, 1944, no article or
17 package of official matter, or number of articles or packages
18 of official matter constituting in fact a single shipment,
19 exceeding four pounds in weight shall be admitted to the
20 mails under the penalty privilege, except (1) stamped paper
21 and supplies sold or used by the postal service; and (2) books
22 and documents published or circulated by order of Congress
23 when mailed by the Superintendent of Public Documents
24 or under the franking privilege.

1 SEC. 4. (a) Official matter not within the provisions
2 of section 3 which is over four pounds in weight, if other-
3 wise mailable, whether sealed or unsealed, including written
4 matter, shall, if such matter does not exceed the limit of
5 weight or size prescribed for fourth-class matter, be accepted
6 for mailing upon the payment of postage at fourth-class
7 rates.

8 (b) Shipments of official matter shall be sent by the
9 most economical means of transportation practicable, and
10 the Postmaster General may refuse to accept any such matter
11 for shipment by mail when in his judgment it is in the
12 public interest that it be forwarded by other means at less
13 expense.

14 SEC. 5. Sections 1 and 2 of this Act shall not apply to
15 the Department of War and the Department of the Navy for
16 the duration of the present war and six months thereafter.

17 SEC. 6. All executive departments and agencies, all
18 independent establishments of the Government, and all
19 other organizations and persons authorized by law to use the
20 penalty privilege, are directed to supply as soon as practicable,
21 all necessary information requested by the Post Office De-
22 partment to carry out the provisions of this Act.

23 SEC. 7. There are authorized to be appropriated such

1 sums as may be necessary to carry out the provisions of this
2 Act.

3 SEC. 8. This Act shall take effect July 1, 1944.

Passed the House of Representatives February 7, 1944.

Attest:

SOUTH TRIMBLE,

Clerk.

78TH CONGRESS
2^D Session

H. R. 4033

AN ACT

Relating to the use of the penalty mail
privilege.

FEBRUARY 8 (legislative day, FEBRUARY 7), 1944
Read twice and referred to the Committee on Post
Offices and Post Roads

and Dillon Myer, National Director of the War Relocation Authority."

"Senate Joint Resolution 6

"Joint resolution relative to memorializing the President and the Congress of the United States in relation to the discharge of disabled veterans from the armed forces

"Whereas the care of the veterans of the wars of this Nation who have been maimed or otherwise disabled in the service of their country has ever been a matter of first importance to the people of this country; and

"Whereas the solicitude of the people for the welfare of disabled soldiers, sailors, and marines has been reflected in the acts of Congress providing for their rehabilitation and for compensation for the loss of earning capacity; and

"Whereas many veterans are being discharged from the armed forces by reason of wounds and other disabilities incurred while upon active service and their number is increasing daily as a result of the expanding war effort on the fighting fronts; and

"Whereas the Veterans' Administration is charged with the duty of administering the provisions of law relating to the rehabilitation and compensation of disabled ex-service men and women; and

"Whereas it is reliably reported that in a great many instances there is a lapse of months between the date of discharge and the date of the first receipt by the veteran of any benefits made available to him by law; and

"Whereas insofar as such delay may be attributable to delay in the transmission of the veterans' records from his organization, which may be in a theater of active combat, the hardship on the veteran can be eliminated by postponing his discharge until his records are available and in order; and

"Whereas many veterans, in order to be able to return more quickly to their families and their homes, have waived all benefits to which they would be entitled on account of disabilities incurred in the service, with the result that they are later on deprived of benefits to which they are justly entitled, and which they eminently deserve: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the President and the Congress of the United States are hereby memorialized and urged to take such steps as may be necessary in order that provision be made:

"1. To provide veterans at the time of their discharge with all necessary records and proof required for Veterans' Administration action on compensable disability incurred in service.

"2. To expedite the handling of individual cases by the Veterans' Administration in order that disabled veterans may be returned more speedily to civilian life and rehabilitate themselves as useful and productive members of their respective communities.

"3. To abolish entirely any system or procedure whereby any person in the armed forces may, as a condition to his immediate discharge, waive the benefits which might accrue on account of any compensable disability incurred in the service; and be it further

"Resolved, That the secretary of the senate is directed to transmit copies of this resolution to the President and Vice President of the United States, to the chairman of the Military Affairs Committee of the Senate and of the House of Representatives, to the Secretaries of War and of the Navy, and to each Senator and Member of the House of Representatives from California."

Resolutions sponsored by the Vassar Community Church and agreed to and signed by sundry students of Vassar College, Poughkeepsie, N. Y., favoring the prompt adoption of Senate Resolution 100, seeking action looking to the aid and relief of the starving

peoples of Europe; ordered to lie on the table.

By Mr. BARKLEY:

A joint resolution of the Legislature of Kentucky; to the Committee on Banking and Currency:

"Joint resolution memorializing Congress to pass a law enabling the ceiling prices on crude petroleum to be increased

"Whereas the President of the United States, recognizing the importance of petroleum to the war effort, did on the 2d day of December 1942 appoint a Petroleum Administrator for War, whose responsibilities were to insure a supply of petroleum to meet the Nation's wartime requirements; and

"Whereas this Administrator has recommended to the Office of Price Administration that in order to maintain the necessary supply of crude petroleum to meet the wartime requirements of the Army and the essential industrial and civilian demands that the price of crude petroleum should be increased; and

"Whereas the Price Administrator has failed and refused to make such increases as have been recommended; and

"Whereas the Honorable Fred M. Vinson, Director of the Office of Economic Stabilization, in passing upon the request of the Petroleum Administrator for such price increase, which recommendation was then on appeal with the Office of Economic Stabilization, decided that such increases could not be made because they were not required by law; and

"Whereas the President of the United States on April 8, 1943, issued Executive Order 9328, part of which is as follows: 'The Price Administrator is directed to take immediate steps to place ceiling prices on all commodities affecting the cost of living, (he) is directed to authorize no further increases in ceiling prices except to the minimum extent required by law * * *'; and

"Whereas the Executive order of the President of the United States has been interpreted by the Office of Economic Stabilization as preventing them from authorizing increases in the ceiling prices of crude petroleum, unless specifically required by law; and

"Whereas it is well established that in order to insure an increase in production and a continuance of production of crude petroleum in the State of Kentucky, as well as throughout the Nation, it is necessary that the price of crude petroleum be increased; and

"Whereas there is now pending before the Congress of the United States a bill, H. R. 2887, which has been passed by the House of Representatives and is now pending in the Senate of the United States, which bill has for its objective authorizing an increase in the ceiling price of crude petroleum; and

"Whereas this bill is now pending in the United States Senate for action: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring therein):

"1. That we memorialize the Members of the Congress of the United States, both in the House and in the Senate, that they, at the earliest possible date, take such action as may be necessary to pass legislation of the character and kind above referred to as H. R. 2687, or take such other and additional action as may be necessary to authorize and require the approval of such increases as may from time to time be necessary to insure sufficient supply of crude petroleum in the United States to meet the wartime requirements of the United States, including essential industrial and civilian demands.

"2. The clerk of the house of representatives, immediately upon the passage of this resolution, shall send copies thereof to the President and Chief Clerk of the Senate of the United States, the United States Sena-

tors from Kentucky, the Speaker, and the Chief Clerk of the House of Representatives of the United States, and the Representatives in Congress from Kentucky."

The ACTING PRESIDENT pro tempore laid before the Senate a resolution identical with the foregoing, which was referred to the Committee on Banking and Currency.

PROTEST AGAINST THE PARTITION OF POLAND—RESOLUTION OF POLISH ROMAN CATHOLIC UNION OF AMERICA

Mr. MEAD presented a letter from the president and secretary-general of the Polish Roman Catholic Union of America, Chicago, Ill., transmitting a resolution adopted by the last plenary meeting of the executive council and directorate of the Polish Roman Catholic Union of America, which letter and resolution were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

POLISH ROMAN CATHOLIC UNION OF AMERICA,

Chicago, Ill., January 25, 1944.

Hon. JAMES M. REED,

Member, United States Senate,

Washington, D. C.

HONORABLE SIR: Enclosed, please find copy of resolution adopted at the last plenary meeting of the executive board and directorate of the Polish Roman Catholic Union of America, which we trust will interest you.

We feel that out of the present World War should come liberty and everlasting peace to all nations, both large and small, and that justice be done to all peoples, especially those of Poland who were the first to feel the might of Nazi Germany but who have stood up against same and fought underground as well as on land, sea, and in the air.

Respectfully yours,

JOHN J. OLEJNICZAK,

President.

STEPHEN S. GRABOWSKI,

Secretary-General.

Whereas the American press has published under today's date line, a news item from London to the effect that the Government of Soviet Russia has formally announced that it will annex the eastern section of Poland, embracing in area approximately one-half of the territory of Poland; and

Whereas the Government of Soviet Russia asserts that the Polish Government in exile, now located in London, does not represent the will of the Polish Nation, and further charges the Polish Government with incompetency, because of the alleged failure to organize active resistance to the Nazi invader; and

Whereas the Government of Soviet Russia forcibly and illegally seizes Polish lands, without the consent of the population residing therein, thus undermining the foundation of the future growth and existence of Poland, and thereby assuming a stand, contrary to all principles of democracy and liberty, for which the present war is being fought; and

Whereas the charges leveled by the Soviet Government against the present Polish Government are untrue, as the Polish Government in London is the sole and constitutional exponent of the will of the Polish Nation, and said Government has taken all steps possible to combat our common foe: Therefore be it

Resolved, That the executive council and directorate of the Polish Roman Catholic Union of America, convened at its plenary meeting in Chicago, Ill., on January 11, 1944, solemnly protests, in the name of its membership composed of Americans of Polish extraction, against the contemplated partition of Poland by Soviet Russia, and supports the stand taken by the Polish Government

in London, which is allied with the Government of the United States.

We place implicit trust in our President, Franklin Delano Roosevelt, and express the firm conviction that he will not permit the Government of Soviet Russia to despoil the Polish Nation, now so terribly tortured and ravaged by the Nazi barbarians.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McKELLAR:

S. 1703. A bill for the relief of the city of Harriman, Tenn.; to the Committee on Claims.

By Mr. BYRD:

S. 1704. A bill conferring jurisdiction upon the United States District Court for the Eastern District of Virginia to hear, determine, and render judgment upon the claim of Norfolk-Portsmouth Bridge, Incorporated, against the United States of America and Wood Towing Corporation; to the Committee on Claims.

By Mr. MEAD:

S. 1705. A bill to provide night differential for certain employees; to the Committee on Civil Service.

By Mr. HILL:

S. 1706. A bill for the relief of Elmira Area Soaring Corporation for use and benefit of its creditors; to the Committee on Claims.

By Mr. BRIDGES:

S. 1707. A bill to amend the Mustering-Out Payment Act of 1944 to provide furloughs with pay for the purpose of easing the period of transition from military to civilian life; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

S. J. Res. 114. Joint resolution to assist in making additional manpower available during the war emergency and for 6 months thereafter, and for other purposes; to the Committee on Appropriations.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H. R. 1488. An act to provide a right-of-way for an oil pipe line over the Ogden Ordnance Depot Military Reservation; and

H. R. 1506. An act to further amend the Pay Adjustment Act of 1942; to the Committee on Military Affairs.

H. R. 1569. An act to amend the act entitled "An act to amend the act creating the circuit court of appeals in regard to fees and costs, and for other purposes," approved February 19, 1897 (29 Stat. 536; 28 U. S. C. 543);

H. R. 1623. An act to amend an act entitled "An act to provide fees to be charged by clerks of the district courts of the United States," approved February 11, 1925 (43 Stat. 857), as amended (28 U. S. C., secs. 548-555); and

H. R. 3241. An act to implement the jurisdiction of service courts of friendly foreign forces within the United States, and for other purposes; to the Committee on the Judiciary.

H. R. 2956. An act for the protection of the water supply of the city of Sitka, Alaska; to the Committee on Public Lands and Surveys.

H. R. 3028. An act to extend the time for completing the construction of a bridge across the Mississippi River at or near Sauk Rapids, Minn.;

H. R. 3164. An act to revive and reenact the act entitled "An act creating the St. Lawrence Bridge Commission and authorizing said Commission and its successors to construct, maintain, and operate a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.," approved June 14, 1933, as amended;

H. R. 3257. An act to amend subtitle Insurance of title II of the Merchant Marine

Act, 1936, as amended, to authorize suspension of the statute of limitations in certain cases, and for other purposes; and

H. R. 3602. An act to amend the act making it a misdemeanor to stow away on vessels; to the Committee on Commerce.

H. R. 3362. An act to fix the annual compensation of the secretary of the Territory of Alaska; to the Committee on Territories and Insular Affairs.

H. R. 3429. An act to amend section 1 of an act entitled "An act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work", approved February 28, 1929 (45 Stat. 1406), as amended by the act of April 22, 1940 (54 Stat. 148), and

H. R. 3476. An act to approve a contract negotiated with the Klamath drainage district and to authorize its execution, and for other purposes; to the Committee on Irrigation and Reclamation.

H. R. 3722. An act to amend section 342 of the Nationality Act of 1940 in respect to fees for the issuance of certificates of arrival; to the Committee on Immigration.

H. R. 3870. An act to amend section 214 of the act of February 28, 1925; and

H. R. 4033. An act relating to the use of the penalty mail privilege; to the Committee on Post Offices and Post Roads.

CONTINUATION OF COMMODITY CREDIT CORPORATION—AMENDMENTS

Mr. BANKHEAD submitted several amendments intended to be proposed by him to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, which were severally ordered to lie on the table and to be printed.

ARTHUR C. NORCUTT—WITHDRAWAL OF PAPERS

On motion of Mr. BUTLER, and by unanimous consent, it was

Ordered, That leave be granted to withdraw from the files of the Senate the papers accompanying the bill (S. 648, 78th Cong.) for the relief of Arthur C. Norcutt, no adverse report having been made thereon.

AMERICAN PRISONERS OF WAR IN THE FAR EAST (S. DOC. NO. 150)

Mr. HATCH. Mr. President, yesterday the senior Senator from Utah [Mr. THOMAS], as chairman of a subcommittee of the Committee on Military Affairs, appointed by the distinguished chairman of that committee, the Senator from North Carolina [Mr. REYNOLDS], to investigate and keep in touch with the problems concerning our prisoners of war, made a report to the Senate, and the statement appears in the RECORD of yesterday. It is so important to the many people in this country who have loved ones who are prisoners of the Japanese that I think the report or statement should be made a public document. I ask unanimous consent that the statement made yesterday by the Senator from Utah be made a public document.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

ADDRESS BY SENATOR MEAD AT CONFER- ENCE OF COUNCIL OF AMERICAN O. R. T. FEDERATION

[Mr. MEAD asked and obtained leave to have printed in the RECORD a radio address delivered by him at the conference of the council of the American O. R. T. Federation,

in New York City, December 12, 1943, which appears in the Appendix.]

A GUIDEPOST FOR AMERICA'S TOMOR- ROW—ARTICLE BY STUART CHASE

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an article entitled "A Guidepost for America's Tomorrow," written by Stuart Chase, and published in the Progressive of February 7, 1944, which appears in the Appendix.]

IN CASE OF ATTACK—ARTICLE BY DAVID LAWRENCE

[Mr. HATCH asked and obtained leave to have printed in the RECORD an article entitled "In Case of Attack," written by David Lawrence, and published in the Washington Evening Star of February 7, 1944, which appears in the Appendix.]

SMALL BUSINESS—EDITORIAL FROM BUFFALO EVENING NEWS

[Mr. MEAD asked and obtained leave to have printed in the RECORD an editorial entitled "Small Business Necessary," published in the Buffalo (N. Y.) Evening News of February 5, 1944, which appears in the Appendix.]

SOLDIER VOTING DURING THE CIVIL WAR

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an article from the Ann Arbor (Mich.) News of February 1, 1944; an article from the Washington Times-Herald of February 7, 1944, and chapter 253 of the laws of New York, passed April 21, 1864, to enable the qualified electors of the State of New York absent in the military service of the United States to vote, which appear in the Appendix.]

REPORTS ON AND CONFIRMATION OF SUNDRY NAVAL NOMINATIONS

Mr. WALSH of Massachusetts. Mr. President, as in executive session, I ask unanimous consent to submit several favorable reports from the Committee on Naval Affairs on the nominations of various officers in the Navy. I ask permission to submit the reports at this time because there are a large number of officers involved. The nominations have already been confirmed by the Senate, and the action I am now asking is merely to correct the dates of rank; that is, to fix the dates when the confirmation shall become applicable. If immediate action is taken by the Senate it will remove the necessity of having a long list of names printed twice in the CONGRESSIONAL RECORD, and \$200 for printing will thereby be saved.

Mr. WHITE. Is the Senator asking immediate consideration of the nominations?

Mr. WALSH of Massachusetts. Yes, I ask unanimous consent that the reports be now received and for the immediate consideration thereof, and then I shall ask that the nominations be confirmed.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. WHITE. Reserving the right to object, since I was somewhat diverted when the Senator from Massachusetts rose, I should like to ask him whether he said that the nominations have all been acted upon.

Mr. WALSH of Massachusetts. They have all been acted upon, and the reason for now making the reports is that the dates may be specified in each case when the rank becomes fixed.

Mr. WHITE. Did the Senator say that the procedure he is suggesting would result in a saving of \$200?

ting three paid letters to go to the soldiers for every one that they carry free. And they are making plenty of money out of that transaction. Their postal receipts so indicate.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. HINSHAW. The gentleman is making a very interesting and important statement concerning international air mail. I think, and I believe that my committee feels, that there should be organized an international air-mail convention similar to the postal convention, in order that international air-mail rates may be established on an equitable basis. At the present time each country charges what it pleases for air mail to any other country, including the United States. The gentleman will be interested to know that I myself dispatched a letter of not over 1 ounce in Rio de Janeiro in Brazil to the United States, and it cost \$1.50 Brazilian postage. I am sure most of that money remained with the Brazilian Government.

Mr. KEEFE. Yes.

May I say just the other day I sent a letter to one of my sons-in-law addressed to his present station at Bermuda. I had to pay 30 cents postage on it, air mail, at the rate of 6 cents for half an ounce.

Mr. ELMER. Mr. Chairman, will the gentleman yield to state whether that was United States money?

Mr. KEEFE. That was in United States money. The Post Office Department carried that letter to New York, to the fleet post office. That is all they did. The Navy carried it out to Bermuda.

If you want substantiation of what I have just said, let us read from the RECORD on page 331:

Mr. LUDLOW. The Post Office Department gets the revenue but the Navy carries the mail. Do you make any adjustment with the Navy?

Mr. GRAYSON. No. We, of course, continue to pay for service to Canada, Mexico, Central and South America, and the West Indies.

Mr. LUDLOW. The expense is borne by the Navy but the Department gets the revenue.

Mr. GRAYSON. That is correct.

Mr. LUDLOW. There is no transfer of funds?

Mr. GRAYSON. No, sir.

Mr. LUDLOW. And there is not any transfer in handling foreign air mail?

Mr. GRAYSON. No, sir.

Now the point ought to be perfectly clear that if we had a true picture showing what the Navy and the Army are expending out of their funds to carry the mail that formerly was carried and paid for by the Post Office Department, then we would have a true picture to see whether in the over-all picture the Post Office Department is really operating at a profit.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. GROSS. Mr. Chairman, to corroborate what the gentleman from Wisconsin is saying, I have received this morning a letter from a soldier's wife, saying she wrote to her husband 120 letters and has not received 1 letter in return, simply because they cannot come through.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. LUDLOW. The gentleman from Wisconsin has accurately stated that there is no way of ascertaining the cost to the Navy Department for carrying foreign air mail. But we can secure an approximation of the cost by reading the testimony on pages 319 and 320, starting at the bottom of page 319 and at the top of 320, in which I made the following observation:

Mr. LUDLOW. And, I might state that the estimated cost of the foreign air mail in 1942 was \$14,552,551; the estimated cost for 1943 was \$5,674,906, or a reduction of \$8,877,645. That was largely due, I suppose, to the fact that the Navy has taken over operations?

Mr. PURDUM. Yes, sir.

Mr. LUDLOW. In the Pacific and up to Alaska.

Mr. PURDUM. Yes, sir.

Mr. LUDLOW. What service has the Navy taken over?

Mr. PURDUM. The Navy has taken over the service in the Pacific, to Alaska, and now it has taken over the Atlantic service.

So, while we do not have accurate figures, as the gentleman from Wisconsin so well said, we do have an approximation by which the measure of difference would be something over \$8,000,000 in the cost paid by the Government. But, as the gentleman from Kentucky [Mr. O'NEAL] very properly pointed out, in order to get a balanced picture, you have to offset against that the \$75,000,000 which it cost to carry the free soldiers' mail, which is many times the differential between the cost of carrying of foreign air mail by the Navy.

Mr. KEEFE. Mr. Chairman, if I may answer the question of the gentleman from Indiana, I think he has proven my case completely by that statement. I want to thank him for it. I had overlooked that series of questions by the distinguished gentleman from Indiana. But I think the facts he has now put into the record clearly demonstrate and conclusively establish the truth of the statement I have just made, because it clearly shows that due to the Navy taking over the carrying of foreign air mail, the request for appropriation was only \$5,674,000, a reduction of \$8,887,000. The answer to that is, if the Navy had not taken over the air mail they would have come in and asked for an appropriation of \$8,877,000 instead of \$5,674,000.

Mr. LUDLOW. I think the gentleman from Wisconsin is exactly right. He has stated the question exactly.

Mr. KEEFE. The differential right there on the face of the record clearly shows if the Post Office Department were charged with the expenses that it used to pay for carrying the mail as shown by those figures, it would still operate at a loss.

Mr. O'NEAL. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. O'NEAL. And it is also true that if they had been paid postage for the soldiers' mail, or \$8,500,000 worth, they would have had \$75,000,000 more in revenue, or a difference of \$67,000,000 in favor of the post-office returns.

Mr. KEEFE. Oh, yes. If they did not carry penalty mail and franked mail and everything else, and if they did not have a subsidy for second- and third-class mail, they certainly would be able to show a profit. That is not an answer to the argument at all.

Mr. O'NEAL. Mr. Chairman, will the gentleman yield further, so that I may finish my statement?

Mr. KEEFE. I yield.

Mr. O'NEAL. But the fact remains where you show one place where somebody is relieved of cost, you should show the costs which they have assumed, which are 9 or 10 times as much as that which they have been relieved of.

Mr. KEEFE. Mr. Chairman, the gentleman from Kentucky has shown, as usual, a desire to inject a partisan appeal into this matter, which I have attempted to eliminate, and he has missed the point I am making entirely. If the gentleman from Kentucky will take the time in the seclusion of his office where it is perfectly quiet, and read this record and see my remarks tomorrow, he will see I have not tried to be critical of the Post Office Department. The simple point I want to make is that Mr. Walker says the Post Office Department is now operating in the black. The simple point I want to make is that if Mr. Walker had charged himself with the expense that he used to pay for carrying foreign air mail that is now being paid by the Army and Navy, he would still have to be operating in the red, and you cannot get away from that.

Mr. ROWE. Mr. Chairman, will the gentleman yield for an observation?

Mr. KEEFE. I yield.

Mr. ROWE. Which does not alter the situation which the gentleman from Kentucky refers to in the least.

Mr. KEEFE. No, it does not alter the situation which the gentleman from Kentucky refers to in the least.

Mr. O'NEAL. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. O'NEAL. Mr. Chairman, I would like to say I had no thought to inject any partisanship into this discussion. I want to say in behalf of the gentleman from Wisconsin that he has been a very constructive member of our committee and he has always tried to develop points and he has developed many which are very fine. My criticism was not in the spirit of partisanship, but in the spirit of that eminent fairness which the gentleman from Wisconsin shows and I just wanted him to put the other side of the picture in showing they had something to say on the side of assuming a greater load, as well as assuming the expense. Certainly, that is not showing partisanship.

Mr. KEEFE. Mr. Chairman, I would be a very poor Member of Congress and of the Committee on Appropriations if I did not fully realize that the Post Office Department has done a magnificent job.

I have stated that at least five times in this statement this afternoon. I fully realize the burden that the Post Office Department has had to carry, but that fact does not change the thesis of my argument or the conclusions I have reached.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. LUDLOW. Is it not true that the Postmaster General has given himself the credit of this postage that would have been paid? Had there not been free soldier mail he would have been in the black by six or seven million.

Mr. KEEFE. Of course, they would be in the black if they operated a lot of other things contrary to the provisions of the will of Congress, but he is operating his business down there pursuant to the laws of this Congress, I assume. Because he is so operating he is still operating in the red, his statement to the contrary in the hearings that he is now operating in the black for the first time in 24 years, notwithstanding.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. H. CARL ANDERSEN. The gentleman from Wisconsin is more responsible than any other Member of the House in calling attention to the great wastes by bureaus in this abuse of their free mailing privileges. In my opinion he is one of the most efficient and capable members of our great Committee on Appropriations.

Mr. KEEFE. This record clearly shows that the Post Office Department has had a pretty good deal out of this soldier free mail. It is a 3-to-1 proposition, and that is where the Post Office Department makes its money. Three letters are going to the soldier for every one that the soldier writes back, and most of them are carrying 6-cent air-mail stamps, and the Post Office Department is getting all that revenue, and they think they have a pretty good deal.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. JENSEN. While we want to give the Post Office Department credit for doing a good job, we also must not forget to give credit where credit is due, and that is to the postal employees who today and for the past 2 years have handled more pieces of mail per day than they ever did before, at about the same rate of pay.

Mr. KEEFE. I am in complete accord with what the gentleman has stated.

Mr. JENSEN. Certainly if it were not for the fine work that all those postal employees have done and the Department, the first, second, third and fourth assistants, and their officers, we would not be showing any black at all.

Mr. CLASON. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. CLASON. I wonder if the gentleman would be kind enough to comment on this: On page 17, it is shown by the Postmaster General that the average number of pieces of mail dispatched amounts to 6.13 per week. He also states that they think they are doing a pretty good job of delivering the mail with prompt expedition. Does the gentleman think there is any likelihood of any unusual delay in the delivery of the soldiers' ballots to them in order for them to vote at the national election, if other agencies work promptly also?

Mr. KEEFE. Well, I did not want to get into that situation at all, because that is foreign to what I had intended to say. I may say, however, that I have full and complete confidence that the Post Office Department will deliver State ballots in the ordinary processes of the mail, to every member of the armed forces within continental United States. It should be apparent to the gentleman, however, that the Post Office Department has nothing to do with the transporting of these ballots, air mail overseas, because the Army and the Navy have taken over that job.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. TABER. I yield the gentleman 5 additional minutes.

Mr. KEEFE. So, if we expect to deliver ballots to the soldiers, sailors, marines, and other members of the armed services overseas, it will have to be through direction from the Commander in Chief to the Army and the Navy, that they utilize the ample facilities which they have, to see to it that those ballots and full ballots go to the people overseas.

Now, I want to go into one other question. I want to call your attention to the fact that yesterday the House passed H. R. 4033, a bill introduced by the distinguished gentleman from Virginia [Mr. BURCH], chairman of the Committee on the Post Office and Post Roads, relating to the use of the penalty mail privilege. I have just this to say with respect to this legislation: The House will recall that the gentleman from Wisconsin, who is now addressing you, made a rather determined fight in the last Congress to try to get this question of penalty mail under control, and by an overwhelming vote of the last Congress on three roll-call votes, the attitude of the Congress was very distinctly expressed that we wanted steps taken to bring this excessive use of penalty mail under the jurisdiction and control of the Congress of the United States. Because of the apparent inactivity of the legislative committee, I saw fit to attach, as you will recall, a limiting amendment on the annual supply bill for the Post Office Department last year. That held that bill up until the 30th day of June, when it had to be passed with a compromise, put in by the conferees.

As a result of the activities of the Members of Congress who have shown a distinct interest in that problem, yesterday under unanimous consent, we passed H. R. 4033, which will ultimately bring back under the control of the Congress this whole subject of the free use of penalty mail by administrative and executive agencies of the Government.

I want to compliment the Committee on the Post Office and Post Roads for the splendid job which they did in writing this legislation and bringing it to the floor of the House and getting it passed. I hope that the Senate will likewise expedite the passage of this very much needed legislation.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. ROWE. I wonder if I do not have the breadth of the original point the gen-

tleman tries to give the Congress in this statement, that if the moneys now paid from the United States Treasury through another department were charged against the Post Office Department, they would not be able to show their black figure, so to speak?

Mr. KEEFE. That is exactly the point, with utter and complete simplicity, but giving the ultimate fact exactly as I intended to say it.

May I say that the Post Office Department is not charged with an offense because of this. I simply want the facts to be as they are, and I think some agency of the Government ought to check into what it is costing the Army and the Navy who are handling this mail situation without any restrictions as to cost imposed by the regulations of the Civil Aeronautics Authority. I do not have the slightest idea as to what the handling of this foreign air mail really amounts to.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE] has again expired.

Mr. TABER. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, this bill is keeping up the record of bigger and better bills that was established by the Appropriations Committee with the independent offices bill. The amount involved in this bill, that is, what the Post Office and Treasury Departments will pay out as a result of it and as a result of other legislation, will be \$11,985,000,000.

The items are as follows:

Direct appropriations for the Treasury, \$212,000,000.

Direct appropriations for the Post Office, \$1,105,000,000.

Refunds \$795,000,000, permanent appropriations \$5,455,000,000, trust funds \$4,418,000,000, or a total of \$11,985,000,000.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. LUDLOW. I think the gentleman should not include trust funds as part of the cost of government.

Mr. TABER. They are collected as taxes. I do not know whether or not they should be included, but they are the items that are paid out of the taxes collected.

Mr. LUDLOW. They are collected, however, for the benefit of the beneficiaries of these trusts.

Mr. TABER. After a fashion. On the other hand, there has always been a question as to the solvency of those funds.

There are some things that I wish to say here that I feel should be said, and that to my mind are very important. Eleven million of our young men and our young women are in the armed forces of the United States. They are fighting as best they can and giving a good account of themselves on the field of battle—on land, in the air, and on the high seas—but the archenemy of those young men and young women is the incompetence, the extravagance, and the wastefulness of the heads of the civilian branches of our Government.

On the 18th day of November 1943, the Ways and Means Committee of the House reported a bill amending the tax

RELATING TO THE USE OF THE PENALTY MAIL
PRIVILEGE

JUNE 16, (legislative day, MAY 9), 1944.—Ordered to be printed

Mr. McKELLAR, from the Committee on Post Offices and Post Roads,
submitted the following

REPORT

[To accompany H. R. 4033]

The Committee on Post Offices and Post Roads of the Senate, to whom was referred the bill (H. R. 4033) relating to the use of the penalty mail privilege, having considered the same, beg leave to report said bill back to the Senate with the recommendation that it do pass.

The purpose of this bill is to establish a method of control over the penalty mailing privilege exercised by the executive departments and agencies and the independent establishments of the Government, which has increased over the years to such an alarming extent that renders it imperative that action be taken to prevent abuse in connection with its use and to exercise proper control over the volume of such mail so as to restrict its use to the purposes necessary to the essential functions and effective operations of the Government.

Heretofore, there has been no control of the use of penalty mail; that the use of same during the past few years has not been under any control of the Post Office Department; that various executive departments and agencies and independent establishments have used their penalty privilege without regard; that they have never been required to account in any way for the use of this privilege; that the increase in penalty mail has reached such a great proportion that there should be some steps taken to control or supervise its use by the departments, agencies, and independent establishments.

Furthermore, it is the purpose of this legislation to require all executive departments and agencies and independent establishments to procure or account for all envelopes, labels, wrappers, etc., from the Postmaster General, and also for these departments, agencies, and independent establishments to justify before the Appropriations Committee their expenditures for their mail upon a cost-ascertainment basis; it is understood that each department, agency, or independent establishment will appear before the Appropriations Committee to

justify its appropriation for the carriage of its mail upon the cost-ascertainment basis; then after each department, agency, or independent establishment receives an appropriation for such purposes, the head of such departments, agencies, or independent establishments must show effective control over the use of mails so as to keep within the limits of the appropriation allowed for such purposes.

The further purpose of this bill is to make each executive department, agency, or independent establishment of our Government secure an appropriation in amount adequate on ascertainment cost of the Post Office Department on all mail sent out under their penalty privilege. They cannot exceed the appropriation for such purpose.

In the hearings before the committee it was shown that neither the Bureau of the Budget nor the Post Office Department had any effective control over the use of the penalty mail privilege. Officials of these two agencies admitted that there was no direct check or mandatorial control over the use of the penalty mail privilege; they further stated that they had no definite record as to the use of the penalty mail privilege by the various executive departments and agencies and independent establishments; they stated that there should be some effective legislation controlling the penalty mail privilege.

Under the provisions of the Treasury-Post Office Appropriation Act approved June 30, 1943 (Public Law 102), there was the following provision:

SEC. 204. A joint committee on reduction of nonessential Federal expenditure is hereby directed to make a study of the problems of penalty mail in all departments and branches of the Government with a view to eliminate unnecessary volume and to reduce costs, and shall report its findings and recommendations by bill or otherwise, to Congress not later than the first day of the next regular session of the Seventy-eighth Congress. All departments and agencies of the Government shall furnish such information, and shall detail such personnel as may be requested by the committee, to assist in its investigation.

The committee has shown by its report the ever-increasing volume of penalty mail by the following table:

TABLE I.—*Penalty matter (exclusive of Post Office Department)*

	Penalty mail		Estimated revenue at regular postal rates		
	Pieces	Pounds	Regular rates	Registry	Total
Fiscal year—					
1934	528, 272, 050	80, 875, 988	\$22, 893, 584	\$201, 298	\$23, 094, 882
1935	622, 550, 939	84, 983, 288	28, 418, 484	2, 863, 116	31, 281, 600
1936	667, 475, 745	90, 869, 704	29, 697, 013	2, 539, 256	32, 236, 269
1937	740, 287, 213	96, 160, 181	32, 625, 126	1, 456, 801	34, 081, 927
1938	882, 352, 057	94, 551, 521	34, 166, 571	1, 524, 236	35, 690, 807
1939	967, 583, 181	93, 168, 643	36, 408, 851	1, 822, 274	38, 231, 125
1940	995, 571, 096	103, 244, 823	39, 905, 033	1, 628, 477	41, 533, 510
1941	1, 118, 461, 730	150, 987, 345	49, 020, 190	2, 537, 306	51, 557, 496
1942	1, 516, 015, 444	236, 529, 015	67, 334, 355	4, 589, 767	71, 924, 122
1943	1, 956, 073, 568	295, 711, 589	103, 485, 392	16, 694, 664	120, 180, 056

1. The committee finds that there is a need for more adequate records concerning the volume and methods of shipment of penalty mail both from Washington and the field. Although certain agencies had some reports on the volume of penalty mail of their agencies, in most cases whenever reports were available they were inadequate.

2. The committee finds that under present conditions the Post Office Department makes contracts for the supplying of penalty envelopes for all Government departments and agencies. It will, for instance, make a contract based on supplying a hundred thousand penalty envelopes of a certain size. There is nothing, however, to prevent the direct purchase of millions of these envelopes by a department or agency, and such purchases are now made. Any department or agency also may print or cause to be printed its own penalty labels, or to affix penalty indicia on mailable matter.

3. The committee finds that under existing procedures it is possible for an agency to place an order directly with a contractor for penalty mail envelopes far in excess of the quantity for which the contract was originally negotiated. Such action often results in the Government paying much higher unit prices than would have been necessary if the contract had originally been negotiated for the larger quantity by a central purchasing agency.

4. The committee finds that there exists an illogical weight distinction between penalty mail originating in Washington, D. C., and elsewhere, and that this weight distinction has resulted in large shipments of penalty mail from the field to Washington, D. C., in order to take advantage of the higher 70-pound limit at Washington, D. C.

5. The committee finds that no record is now being maintained to show the rapidly increasing volume of circular publications, posters, etc., mailed without being enclosed in penalty envelopes, the penalty indicia merely being printed, mimeographed, or otherwise placed directly on the mailing pieces.

The bill was reported unanimously by the committee; all members realize that there must be some check upon the indiscriminate use of the penalty-mail privilege; they are of the opinion that this privilege has been abused; they are fully cognizant of the fact that this privilege has been used for the purpose of sending out unnecessary and worthless matter; they all insist that hereafter the penalty-mail privilege be used only for the purpose of sending out mailable matter which is essential to the proper operation of departments and agencies and independent establishments; they want this privilege used for proper and legitimate purposes of the Government.

The bill provides that the Postmaster General shall report to the Congress and to the Bureau of the Budget after the close of each fiscal year, the number of envelopes, labels, wrappers, cards, and other articles bearing the penalty indicia used during such fiscal year by each executive department, agency, and independent establishment; and furthermore that the Postmaster General shall report quarterly to the Congress and to the Bureau of the Budget the number of such envelopes, labels, etc., bearing such penalty indicia procured or accounted for through him, by each department, agency, or independent establishment, together with the estimated number of pieces and weight of matters mailed free of postage under the penalty privilege, and the estimated cost of handling such matters, as determined by the cost ascertainment procedure of the Post Office Department. And furthermore that each department, agency, or independent establishment shall justify before the Appropriations Committee an appropriation sufficient to cover the cost to the Post Office Department in handling this penalty mail, and within 30 days

following the determination and advice by the Postmaster General of the estimated cost of handling the mail, each such department, agency, and independent establishment shall deposit in the general funds of the Treasury as miscellaneous receipts from such appropriation, an amount equivalent to such costs.

The bill has other provisions which are self-explanatory.

The whole purpose of this legislation is to restrict the excessive and unnecessary use of the penalty mail privilege by these departments, agencies, and independent establishments. The committee wants it understood that these executive departments and agencies and independent establishments must receive appropriations for their use of the penalty mail privilege under the cost ascertainment basis established by the Post Office Department.

On account of the war and the heavy volume of mail used by these agencies incident thereto, the bill expressly provides that the War Department and Navy Department shall be excluded from the provisions of sections 1 and 2 for the duration of the war and 6 months thereafter.

The committee is of the opinion that this is a long-needed and far-reaching effort to properly control the use of the penalty mail privilege, which has caused so much criticism during the past several years. It is believed that this bill will prove to be a salutary check upon the unnecessary use of the penalty mail privilege.

The report of the Postmaster General, dated February 26, 1944, is as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., February 26, 1944.

HON. KENNETH MCKELLAR,
*Chairman, Committee on Post Offices and Post Roads,
United States Senate.*

MY DEAR SENATOR MCKELLAR: In reply to your letter of the 10th instant, requesting a report upon H. R. 4033, a bill relating to the use of the penalty mail privilege, I have to advise you that this Department has no objection to the enactment of the proposed legislation.

Very truly yours,

FRANK C. WALKER,
Postmaster General.

○

Calendar No. 1002

78TH CONGRESS
2D SESSION

H. R. 4033

[Report No. 984]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8 (legislative day, FEBRUARY 7), 1944

Read twice and referred to the Committee on Post Offices and Post Roads

JUNE 16 (legislative day, MAY 9), 1944

Reported by Mr. McKELLAR, without amendment

AN ACT

Relating to the use of the penalty mail privilege.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That all envelopes, labels, wrappers, cards, and other articles,
4 bearing the indicia prescribed by law for matter mailed free
5 of postage under the penalty privilege by all executive de-
6 partments and agencies, all independent establishments of the
7 Government, and all other organizations and persons author-
8 ized by law to use the penalty privilege, shall be procured or
9 accounted for through the Postmaster General under such
10 regulations as he shall prescribe. The head of each such
11 department, agency, establishment, or other organization, or

1 each such person, shall submit to the Postmaster General
2 within sixty days after the close of each fiscal year a state-
3 ment showing the number of envelopes, labels, wrappers,
4 cards, and other articles bearing such indicia on hand at the
5 close of such fiscal year.

6 SEC. 2. (a) The Postmaster General shall report to
7 the Congress and to the Bureau of the Budget as soon as
8 practicable after the close of the fiscal year ending June 30,
9 1944, and within ninety days after the close of each sub-
10 sequent fiscal year, the number of envelopes, labels, wrap-
11 pers, cards, and other articles bearing such penalty indicia
12 used during such fiscal year by each executive department
13 and agency, by each independent establishment, and by each
14 organization and person authorized by law to use the penalty
15 privilege.

16 (b) The Postmaster General shall, beginning with the
17 fiscal year beginning July 1, 1944, report quarterly to the
18 Congress and the Bureau of the Budget the number of
19 envelopes, labels, wrappers, cards, and other articles bearing
20 such penalty indicia procured or accounted for, through him,
21 by each such department, agency, establishment, and other
22 organization and person, together with the estimated number
23 of pieces and weight of matter mailed free of postage under
24 the penalty privilege and the estimated cost of handling such

1 matter as determined by the cost ascertainment procedure
2 of the Post Office Department.

3 (c) Based on the estimated cost determined in accord-
4 ance with subsection (b), each such department, agency,
5 and independent establishment, except the Post Office De-
6 partment, shall include in its annual estimates of appropria-
7 tions an amount representing the anticipated costs to the
8 Post Office Department of handling the penalty mail of such
9 department, agency, or independent establishment.

10 (d) Within thirty days following determination and
11 advice by the Postmaster General of the estimated cost of
12 handling the penalty mail, each such department, agency,
13 and independent establishment shall deposit in the general
14 funds of the Treasury as miscellaneous receipts from its
15 appropriations an amount equivalent to such costs.

16 SEC. 3. On and after August 1, 1944, no article or
17 package of official matter, or number of articles or packages
18 of official matter constituting in fact a single shipment,
19 exceeding four pounds in weight shall be admitted to the
20 mails under the penalty privilege, except (1) stamped paper
21 and supplies sold or used by the Postal Service; and (2)
22 books and documents published or circulated by order of
23 Congress when mailed by the Superintendent of Public
24 Documents or under the franking privilege.

1 SEC. 4. (a) Official matter not within the provisions
2 of section 3 which is over four pounds in weight, if other-
3 wise mailable, whether sealed or unsealed, including written
4 matter, shall, if such matter does not exceed the limit of
5 weight or size prescribed for fourth-class matter, be accepted
6 for mailing upon the payment of postage at fourth-class
7 rates.

8 (b) Shipments of official matter shall be sent by the
9 most economical means of transportation practicable, and
10 the Postmaster General may refuse to accept any such matter
11 for shipment by mail when in his judgment it is in the
12 public interest that it be forwarded by other means at less
13 expense.

14 SEC. 5. Sections 1 and 2 of this Act shall not apply to
15 the Department of War and the Department of the Navy for
16 the duration of the present war and six months thereafter.

17 SEC. 6. All executive departments and agencies, all
18 independent establishments of the Government, and all
19 other organizations and persons authorized by law to use the
20 penalty privilege, are directed to supply as soon as prac-
21 ticable, all necessary information requested by the Post Office
22 Department to carry out the provisions of this Act.

23 SEC. 7. There are authorized to be appropriated such

1 sums as may be necessary to carry out the provisions of this
2 Act.

3 SEC. 8. This Act shall take effect July 1, 1944.

Passed the House of Representatives February 7, 1944.

Attest:

SOUTH TRIMBLE,

Clerk.

AN ACT

Relating to the use of the penalty mail
privilege.

FEBRUARY 8 (legislative day, FEBRUARY 7), 1944
Read twice and referred to the Committee on Post
Offices and Post Roads

JUNE 16 (legislative day, MAY 9), 1944
Reported without amendment



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 78th CONGRESS, SECOND SESSION

Vol. 90

WASHINGTON, FRIDAY, JUNE 16, 1944

No. 112

Senate

(Legislative day of Tuesday, May 9, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou who changest not in a world so rocked and shaken, so filled with lamentation and clamor, a world swept by the whirlwind and riven by the earthquake, we would find the peace of Thy presence and of the still small voice. In our dire need steal Thou upon our troubled spirits like the vesper calm of lingering twilight, like the gentle dew on parched ground; commission us as the servants of Thy righteous will and fit our spirits for that high role in this time on ages telling. Save us from the tragic mistakes of the past. Make us architects of a statelier temple of humanity where no child of Thine shall be kept back from the common altar of fellowship and where all kindreds are one before Thy searching eyes. As the fires of war are quenched give us the wisdom so to build that never again in blind folly will we choose foundations which are sinking sand and walls of tinder which will prove but rubble for the devouring flame. We pray in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, June 15, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1945, for

civil functions administered by the War Department, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 2 and 6 to the bill and concurred therein, and that the House insisted upon its disagreement to the amendments of the Senate numbered 1, 3, 5, 7, 8, and 9 to the bill.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4837. An act to extend for an additional 2 years the suspension in part of the processing tax on coconut oil; and

H. R. 4967. An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2711) for the relief of Mrs. Mildred Maag, and it was signed by the Acting President pro tempore.

INVESTIGATION OF CONDITIONS AFFECTING THE HOG, CATTLE, POULTRY, AND DAIRY INDUSTRIES—LETTER FROM EDWARD A. O'NEAL

Mr. WHERRY. Mr. President, yesterday I inadvertently omitted from my remarks a letter I received from Mr. Edward A. O'Neal, president of the American Farm Bureau Federation. I ask unanimous consent that the letter appear following this statement and also appear in the permanent Record in connection with my remarks of yesterday on this subject.

The ACTING PRESIDENT pro tempore (Mr. GILLETTE). Without objection, it is so ordered.

The letter is as follows:

AMERICAN FARM BUREAU FEDERATION.

Washington, D. C., June 9, 1944.

Hon. KENNETH S. WHERRY,
United States Senate,

Washington, D. C.

DEAR SENATOR WHERRY: At the meeting of the board of directors of the American Farm Bureau Federation on May 31, 1944, a seven-point program was adopted to alleviate the major difficulties which farmers and livestock producers have experienced in recent

months. This program was developed by the National Livestock Committee of the American Farm Bureau Federation. I am attaching a copy of this program.

Included in this program was the following recommendation:

"3. If it becomes necessary, request a congressional investigation of the practices of purchasers of livestock for slaughter in order to correct the many abuses which are now said to be prevalent."

Pursuant to this recommendation, I wish to respectfully urge that an investigation be instituted immediately by Congress of the manner in which packers are taking advantage of the situation in hogs, cattle, and other livestock in circumventing the spirit and purpose of floors, ceilings, and subsidies at the expense of the American farmer and the National Treasury.

Sincerely yours,

EDW. A. O'NEAL,
President.

NATIONAL SERVICE LIFE INSURANCE

The ACTING PRESIDENT pro tempore laid before the Senate a letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to liberalize certain provisions of the National Service Life Insurance Act of 1940, as amended, which, with the accompanying paper, was referred to the Committee on Finance.

FREE PORTS FOR EUROPEAN WAR REFUGEES

Mr. MALONEY. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the Record a letter and resolution which I have received from Rabbi Abraham J. Feldman, of the Congregation Beth Israel, and Mr. Maurice Hartman, president, Hartford, Conn.

The resolution urges the establishment of "free ports," whereby temporary haven may be provided for European refugees.

There being no objection, the letter and resolution were referred to the Committee on Foreign Relations and ordered to be printed in the Record, as follows:

THE CONGREGATION BETH ISRAEL,

Hartford, Conn., June 14, 1944.

The Honorable FRANCIS MALONEY,

The United States Senate,

Washington, D. C.

DEAR SIR: We beg to transmit to you the enclosed resolution, which has been adopted by the Congregation Beth Israel, and we be-

speak your earnest support of the matter dealt with therein.

Cordially yours,

Rabbi ABRAHAM J. FELDMAN.
MAURICE HARTMAN, *President*.

America was founded by refugees—by refugees fleeing from religious persecution and racial bigotry. This great Nation, conceived in liberty, has been peculiarly sensitive to the cry of its brothers' blood wherever and whenever they have been enslaved and persecuted. Particularly because of its deep religious heritage and character, believing that men are endowed by their Creator with certain inalienable rights—among these being liberty and the pursuit of happiness, and, above all, life—America has been the traditional haven of those who have been robbed of these precious possessions.

The hour has come when America must once again rise to this, her manifest destiny, when the God who led our early founding fathers to this richly dowered land is calling upon us to "bring forth the prisoner from the prison house and those that dwell in darkness from the dungeon."

We commend the President of the United States for his leadership and vision manifested in championing the cause of the afflicted, not only by words but by forthright deeds. Especially timely has been his recent creation of the War Refugee Board, which has already evidenced its sincere determination to rescue as many as possible of those victims of nazi-ism otherwise marked out for wholesale slaughter in the plan of "free ports" advocated by the War Refugee Board, whereby temporary haven may be provided for those who would otherwise be murdered to the last man. We agree that America can do no less for these, our allies and fellow foes of nazi-ism, than we do for our enemies who, as prisoners of war, are provided with at least such temporary sojourn and security. We appeal to the conscience of America to respond immediately to this suggestion of the War Refugee Board, and we call upon our representatives in Congress, as well as upon all our fellow citizens, to save the lives of thousands, and even hundreds of thousands, otherwise destined for mass extermination, by setting up at once such "free ports," such islands of temporary rescue, upon the free and cherished soil of America.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ELLENDER, from the Committee on Claims:

S. 1933. A bill for the relief of Mrs. Anna Runnebaum; without amendment (Rept. No. 982).

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

H. R. 3870. A bill to amend section 214 of the act of February 28, 1925; without amendment (Rept. No. 983);

H. R. 4033. A bill relating to the use of the penalty mail privilege; without amendment (Rept. No. 984);

H. R. 4517. A bill to remove restrictions on establishing post-office branches and stations; without amendment (Rept. No. 985); and

H. R. 4637. A bill relating to issuance of postal notes; without amendment (Rept. No. 983).

BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. LUCAS:

S. 2005. A bill for the relief of Della O'Hara; to the Committee on Claims.

By Mr. McFARLAND (for himself and Mr. HAYDEN):

S. 2006. A bill for the relief of J. A. Davis; to the Committee on Claims.

By Mr. O'DANIEL:

S. 2007. A bill for the relief of Lum Jacobs (with accompanying papers); to the Committee on Claims.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred, as indicated:

H. R. 4837. An act to extend for an additional 2 years the suspension in part of the processing tax on coconut oil; to the Committee on Finance.

H. R. 4967. An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes; to the Committee on Appropriations.

CHANGE OF REFERENCE

Mr. THOMAS of Utah. Mr. President, House bill 4624, to consolidate and revise the laws relating to the Public Health Service, and for other purposes, came to the Senate from the House of Representatives and was referred to the Committee on Commerce. A similar bill was introduced in the Senate some months ago and was referred to the Committee on Education and Labor which has given much consideration to it. By arrangement with the chairman of the Committee on Commerce, I now ask unanimous consent that the Committee on Commerce be discharged from the further consideration of House bill 4624 and that it be referred to the Committee on Education and Labor.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Utah? The Chair hears none, and the change of reference will be made.

INVESTIGATION OF ACTIVITIES OF POLITICAL ACTION COMMITTEE OF THE C. I. O.—AMENDMENTS

Mr. TUNNELL submitted sundry amendments intended to be proposed by him to the resolution (S. Res. 298) to investigate the activities of the Political Action Committee of the Congress of Industrial Organizations (submitted by Mr. BUTLER on May 31, 1944), which were referred to the Committee on Privileges and Elections and ordered to be printed.

COMPENSATION OF TEMPORARY CLERK, COMMITTEE ON PUBLIC LANDS AND SURVEYS

Mr. HATCH submitted the following resolution (S. Res. 311), which was referred to the Committee on Public Lands and Surveys:

Resolved, That the compensation of the assistant clerk employed by the Committee on Public Lands and Surveys under Senate Resolution 245, Seventy-seventh Congress, as continued by Senate Resolution 307, Seventy-seventh Congress, shall hereafter be at the rate of \$1,800 per annum, and \$1,500 additional so long as the position is held by the present incumbent.

REPORT OF THE COMMISSION OF FINE ARTS (S. DOC. NO. 204)

Mr. BARKLEY. Mr. President, on the 1st of June this year the President sent to the Congress the Fourteenth Report of the Commission of Fine Arts for the period from January 1, 1940, to June 30,

1944. Heretofore those reports have been printed as Senate or House documents, including the illustrations. It is a very valuable publication. I ask unanimous consent that the report to which I have just referred be printed as a Senate document, with illustrations.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

DEMOCRACY IN ACTION—ADDRESS BY SENATOR O'DANIEL

[Mr. O'DANIEL asked and obtained leave to have printed in the RECORD a radio address entitled "Democracy in Action," delivered by him on June 15, 1944, which appears in the Appendix.]

PLATFORM ISSUES: LABOR AND INDUSTRY—ARTICLE BY WENDELL WILLKIE

[Mr. HATCH asked and obtained leave to have printed in the RECORD an article entitled "Platform Issues—Labor and Industry," written by Wendell Willkie, and published in the Washington Post of June 16, 1944, which appears in the Appendix.]

KEEP PRICE CONTROL—EDITORIAL FROM THE NEWARK EVENING NEWS

[Mr. WALSH of New Jersey asked and obtained leave to have printed in the RECORD an editorial entitled "Keep Price Control," published in the Newark (N. J.) Evening News of June 12, 1944, which appears in the Appendix.]

ACTION OF WAR LABOR BOARD WITH REFERENCE TO IDAHO POTATO HANDLERS

Mr. THOMAS of Idaho. Mr. President, a recent issue of the Idaho Daily Statesman, published at Boise, Idaho, includes in its editorial a letter from Mr. E. T. Taylor, master of the State grange, commenting on the War Labor Board's action against the Idaho potato handlers. I send the editorial to the desk and ask that it be read.

The ACTING PRESIDENT pro tempore. Without objection, the editorial will be read.

The legislative clerk read as follows:

THE GRANGE MASTER SPEAKS LOUD

The recent War Labor Board action against Idaho potato handlers has drawn this caustic editorial comment from E. T. Taylor, State grange master, in the Idaho Granger:

"Agriculture has been put into more difficulty over farm-labor matters than any other one problem.

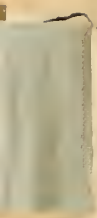
"The draft has hit us exceedingly hard and is crippling us now in a terrific shape. Farms are being stripped of the last boy and the answer seems to be, the boy can be replaced on the farm but not in the Army.

"So the boys are going.

"Also, right now, war industries are canvassing the farm territory, running large ads in the papers, and blasting the radio time with appeals for help in war plants at wages far beyond anything the farmer can pay. The Government is paying these exorbitant wages in cost-plus contracts, and all that is left for us to do is to work harder, work longer hours, and pay and pay and pay.

"But now comes a matter that should be brought to the attention of every grange in Idaho.

"It is the prosecution by the War Labor Board of the potato handlers of Idaho, on the charge that they paid more for help than the War Labor Board said they could pay.



lawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

ISSUANCE OF POSTAL NOTES

The bill (H. R. 4687) relating to issuance of postal notes, was considered, ordered to a third reading, read the third time, and passed.

USE OF THE PENALTY-MAIL PRIVILEGE

The Senate proceeded to consider the bill (H. R. 4033) relating to the use of the penalty-mail privilege.

Mr. McKELLAR. Mr. President, by direction of the Post Office Department, I move an amendment, to substitute for section 5 on page 4 of the bill, the following new section:

SEC. 5. Sections 1, 2, 3, and 4 of this act shall not apply to the Department of War and the Department of the Navy, and their activities outside of the city of Washington, for the duration of the present war and 6 months thereafter.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

ASCERTAINMENT OF REVENUES AND COST IN CONNECTION WITH SEVERAL CLASSES OF MAIL MATTER

The bill (H. R. 3870) to amend section 214 of the act of February 28, 1925, was considered, ordered to a third reading, read the third time, and passed.

REMOVAL OF RESTRICTIONS ON ESTABLISHING POST OFFICE BRANCHES AND STATIONS

The bill (H. R. 4517) to remove restrictions on establishing post office branches and stations, was considered, ordered to a third reading, read the third time, and passed.

HOUSING IN CONNECTION WITH NATIONAL DEFENSE

The bill (S. 1978) to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940 (54 Stat. 1125), as amended, is amended by inserting after the word "it" in the last proviso of said section 3 the phrase "as a claimant agency under the controlled materials plan established pursuant to subsection (a) of section 2 of the act entitled 'An act to expedite national defense, and for other purposes,' approved June 28, 1940 (54 Stat. 676), as amended," and by deleting the words "for persons engaged in national defense activities" from the last proviso of said section 3.

Mr. ELLENDER subsequently said: Mr. President, I ask that the Senate recur to Senate bill 1978, Calendar No. 1007.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ELLENDER. I now ask that the vote by which the bill was passed be reconsidered.

The ACTING PRESIDENT pro tempore. Without objection, the vote by which the bill was passed will be reconsidered.

Mr. ELLENDER. Mr. President, yesterday the House unanimously passed House bill 4728, an identical bill. I ask that the Committee on Education and Labor be discharged from further consideration of the House bill, that it be substituted for the Senate bill, and be now considered.

The ACTING PRESIDENT pro tempore. Without objection, the Committee on Education and Labor is discharged from further consideration of House bill 4728 and the House bill will be substituted for the Senate bill.

Is there objection to the present consideration of the House bill?

There being no objection, the bill (H. R. 4728) to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, was considered, ordered to a third reading, read the third time, and passed.

The ACTING PRESIDENT pro tempore. Without objection, Senate bill 1978 will be indefinitely postponed.

AUTHORIZATION FOR CONVEYANCE OF LAND TO VINCENNES UNIVERSITY

The bill (H. R. 3306) to authorize the conveyance of Harrison Park in the city of Vincennes to Vincennes University was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF LANDS TO THE CITY OF SITKA, ALASKA

The bill (H. R. 340) to authorize the Legislature of the Territory of Alaska to grant and convey certain lands to the city of Sitka, Alaska, for street purposes, was considered, ordered to a third reading, read the third time, and passed.

USE OF OLD POST OFFICE BUILDING IN PORTLAND, OREG., AS A MUSEUM

The bill (H. R. 4623) to authorize the use of space in the old post office building in Portland, Oreg., by the State of Oregon for its use as a museum for relics from the battleship *Oregon*, together with all other historical documents, objects, and relics of Oregon and the Old Oregon Country held by the State for public display, was considered, ordered to a third reading, read the third time, and passed.

REIMBURSEMENT FOR LOSS OR DAMAGE BY FIRE AT CARROLL COLLEGE, HELENA, MONT.

The bill (S. 1964) to reimburse certain aviation cadets and former aviation cadets for property lost or damaged as the result of a fire at Carroll College,

Helena, Mont., on January 8, 1944, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed \$988.12, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, certain aviation cadets and former aviation cadets for the value of personal property lost or damaged as the result of a fire at Carroll College, Helena, Mont., on January 8, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

FURLOUGH OF OFFICERS BY SECRETARY OF NAVY

The bill (S. 1974) to amend section 1442, Revised Statutes, relating to furlough of officers by the Secretary of the Navy, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1442, Revised Statutes (34 U. S. C. 228), is hereby amended by striking out the period at the end of the sentence and inserting in lieu thereof "and Marine Corps, and any officer of the Coast Guard while the Coast Guard is operating as part of the Navy. This section shall not apply to reserve officers of such organizations," so that said section when amended shall read as follows: "The Secretary of the Navy shall have authority to place on furlough any officer on the active list of the Navy and the Marine Corps, and any officer of the Coast Guard while the Coast Guard is operating as part of the Navy. This section shall not apply to reserve officers of such organizations."

ERECTION OF STATUE OF LEIF ERICKSON IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the joint resolution (S. J. Res. 8) authorizing the erection of a statue of Leif Erickson in the District of Columbia, which had been reported from the Committee on Public Buildings and Grounds with amendments, on page 1, line 6, after the name "Leif", to strike out "Erickson" and insert "Ericsson"; on page 2, line 2, after the words "sum of", to strike out "\$10,000" and insert "\$20,000"; in line 3, after the word "appropriated", to insert "at any time subsequent to determination of hostilities in the present war as proclaimed by the President"; in line 9, after the words "in the", to strike out "estimation" and insert "judgment"; in line 11, after the word "memorial", to insert "including landscape treatment of the site"; and in line 12, after the word "available", to insert "by the association or committee set up under authority of section 1", so as to make the Senate joint resolution read:

Resolved, etc., That authority is hereby granted to any association or committee or-

ganized within 2 years from date of the approval of this joint resolution for that purpose to erect a replica of the statue of Leif Ericsson by A. Stirling Calder on public grounds of the United States in the District of Columbia.

Sec. 2. That for the preparation of the site and the erection of a pedestal upon which to place the said statue, under the direction of the Secretary of the Interior, the sum of \$20,000, or so much thereof as may be necessary, is hereby authorized to be appropriated, at any time subsequent to the termination of hostilities in the present war as proclaimed by the President, out of any money in the Treasury not otherwise appropriated: Provided, That the site chosen and the design of the pedestal shall have the approval of the National Commission of Fine Arts: Provided further, That unless funds, which in the judgment of the Secretary of the Interior are sufficient to insure the completion of the memorial, including landscape treatment of the site, are certified available by the association or committee set up under authority of section 1 and the erection of this memorial begun within 5 years from and after the passage of this legislation, the authorization hereby granted is revoked.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution authorizing the erection of a statue of Leif Ericsson in the District of Columbia."

PROMOTION OF REAR ADMIRAL EMORY S. LAND TO RANK OF VICE ADMIRAL

Mr. TYDINGS. Mr. President, I ask unanimous consent to revert to Calendar 917, House Bill 634.

There being no objection, the bill (H. R. 634) to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral was considered, ordered to a third reading, read the third time, and passed.

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator from Maryland if he has talked with the Senator from Vermont [Mr. Aiken]. I was asked by the Senator from Vermont to request that the bill go over. I do not wish to hold it up. The Senator from Vermont is not in the Chamber.

Mr. TYDINGS. Mr. President, I did not know that the Senator from Vermont wanted the bill to go over. I was absent from the Chamber on two previous occasions when it came up.

Mr. WHERRY. The Senator from Vermont wished to be heard on it.

Mr. TYDINGS. I should like to have the action of the Senate stand, and when the Senator from Vermont returns to the Chamber, if he wishes to move to reconsider the vote by which the bill was passed, I shall not interpose any objection. I am sorry I did not know about the interest of the Senator from Vermont. No advantage will be taken of him.

The PRESIDING OFFICER. The clerk will state the next bill on the Calendar.

AMENDMENT OF NATIONAL HOUSING ACT, AS AMENDED

The bill (S. 1947) to amend the National Housing Act, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 603 (a) of the National Housing Act, as amended, is hereby amended by (1) striking out "\$1,600,000,000" and inserting in lieu thereof "\$1,700,000,000"; and (2) inserting in the third proviso after the word "except" the figure "(1)" and striking the period at the end of the third proviso and inserting in lieu thereof a semicolon and the following: "or (2) a mortgage that is given to refinance an existing mortgage insured under this title and which does not exceed the original principal amount and unexpired term of such existing mortgage."

Mr. RADCLIFFE. Mr. President, in connection with the bill which the Senate has just passed I should like to make a brief statement.

Title VI of the National Housing Act is the vehicle through which privately owned war housing is produced by private industry with private capital. It operates by Government insurance of the privately held mortgage in an amount not to exceed 90 percent of the appraised value for which an annual premium of one-half percent is charged. It operates only in localities in which the President finds that an acute shortage of housing exists or impends which would impede national war activities.

The last increase in the authorization under title VI was on October 15, 1943, in the amount of \$400,000,000. The attached statement shows total commitments on one- to four-family homes under section 603 of title VI, and the rental housing projects insured under section 608 of title VI for the period October 1, 1943, through May 1944, by individual F. H. A. field insuring offices.

During that period on one- to four-family mortgages the F. H. A. issued 70,656 commitments for insurance of mortgages aggregating \$343,600,000, and commitments for the insurance of mortgages on 133 large-scale rental projects aggregating \$52,200,000 or a combined total under title VI of just under \$400,000,000.

The bill does two things. First, it increases the present authorization of mortgages insured under title VI by \$100,000,000 and, second, it will assist in the administration of the act and in the protection of the interests of the Government after the war program has been completed, by permitting a mortgage previously insured under this title to be refinanced with a new insured mortgage which does not exceed the original principal amount or unexpired term of the previously insured mortgage.

The necessity for the increase in authorization arises from two factors. At the time the present authorization was determined the amount was based upon

an estimated average mortgage of \$4,100 per dwelling unit. The amount of the average mortgage has been progressively increasing due to increased building costs and similar causes, so that the current amount of the average mortgage is \$4,411 per dwelling unit. It was also estimated that the F. H. A. would be called upon to insure 85 percent of the total privately financed war-housing program. Actually, in the last 8 months 92 percent of all units started have been financed through the F. H. A.

As of April 30, 1944, the F. H. A. had insured or committed to insure under title VI mortgages in the aggregate amount of \$1,512,952,000 chargeable against the present authorization of \$1,600,000,000, leaving an unused authorization of \$87,048,000. At the rate title VI commitments are being issued, this authorization will be exhausted in another 5 or 6 weeks or around June 30, 1944.

If private industry is to complete its share of war housing already programed by the National Housing Agency, it is estimated that the \$100,000,000 of additional authorization will be necessary.

The provision with respect to the refinancing of insured mortgages is in no way designed to perpetuate the war housing insurance program after the termination of the war. The limitation that the refinancing mortgage cannot exceed the unexpired term or the original principal amount of the existing insured mortgage takes care of this. It is, however, in line with a similar provision contained in title II and is necessary to enable this Administration to rectify some of the deficiencies in war housing, due to restrictions on critical material, and to enable such houses to be sold after the war in competition with new structures and thus prevent many of them from being turned over to the Government.

Title VI of the National Housing Act as originally enacted on March 28, 1941, authorized the insurance of mortgages up to an aggregate amount of \$100,000,000. This original authorization has been increased on four separate occasions by special acts of Congress as follows:

Effective date	Aggregate authorization	Increase
Mar. 28, 1941.....	\$100,000,000	-----
Sept. 2, 1941.....	300,000,000	\$200,000,000
May 26, 1942.....	800,000,000	500,000,000
Mar. 23, 1943.....	1,200,000,000	400,000,000
Oct. 15, 1943.....	1,600,000,000	400,000,000

Mr. President, I ask unanimous consent to have printed in the Record at this point a table bearing on the subject matter of the bill.

There being no objection, the table was ordered to be printed in the Record, as follows:

I think that is a deplorable condition. So I have introduced a bill providing \$45,000,000 to the Navy so that they may provide housing for the officers and men and their families who, in my opinion, are more entitled to the term "war workers" than any others of our people. Today I will introduce a similar bill authorizing the War Department to do the same; and if Congress will pass this legislation it will put a stop to this discrimination against the officers and men of the armed services and their families.

The SPEAKER. The time of the gentleman from California [Mr. Izac] has expired.

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in two particulars, and in one extension to include an editorial from the Indianapolis Star.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. JACKSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in connection with the recognition of Marshal Tito.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include an editorial from the Pittsburgh Journal.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to appears in the Appendix.]

MANUFACTURING OF WHISKY

Mr. REES of Kansas. Mr. Speaker, the announcement by the War Production Board and approved by the administration that the Nation's whisky distilleries are to be released from war production so they can produce alcohol to make between fifty and sixty million gallons of whisky or gin is the most absurd, unreasonable, and unjustified thing that has come out of a war agency for a long time. To do a thing like that at this crucial hour is beyond comprehension.

To make it worse, it appears the order has the approval of the War Food Administrator. For many months there has been a dire shortage of feed in this country. The shortage has been so acute we have imported grain from Canada free of tariff in order to provide additional supplies of feed for our livestock and poultry. Only a few weeks ago the War Food Administrator was directed by the War Department to freeze 70,000,000 bushels of corn so the Government could have it in the manufacture of airplanes. Livestock men and farmers throughout the country are in need of grain to produce poultry and beef and pork. In the face of all this the administration sees fit to turn about 70,000,000 bushels of

grain to be used for the manufacture of alcoholic liquors. They say, of course, they are not going to use supplies of corn, but they are going to use approximately 70,000,000 bushels of wheat and rye needed right now, not only for feed, but also for human consumption.

Not only that, but a big part of the alcohol has been used for making synthetic rubber and other war materials. All at once it has been decided that we will withhold the manufacture of alcohol to make synthetic tires so that we can have fifty or sixty million gallons of liquor.

Mr. Speaker, only a few days ago the War Manpower Commission issued directives because of a shortage of manpower in this country. It was urged that women take the place of men wherever possible and that no one take jobs except in industries necessary for the prosecution of the war. It cannot be said that right now, at the most crucial time of the war period, it is necessary to divert the labor of several hundred thousand men and women in industry to make alcohol for liquor. Such a thing does not begin to make sense.

This is not a wet and dry issue. It goes a whole lot further than that. I do not believe the American people, if they understood the situation, would tolerate it for a minute.

Mr. Speaker, millions of people in occupied Europe are hungry and many are starving for lack of food. We have promised to help them, and yet in the face of that situation we are diverting millions of bushels of food to be made into alcoholic liquor. Is there anyone on the floor of this House who can justify such action?

Mr. Speaker, it is not right that in this most serious hour of our experience that the administration or anybody else should approve a move of this kind. The very looks of it is bad. It is not fair to the people of this country who are exerting their energies to do everything they can to help bring this war to a close. Neither do I think it is fair to the fighting forces who are giving their very lives at this moment for our country to approve such an unnecessary, inexcusable thing. This kind of action does not help the war effort, but hinders it.

The American people are not so gullible that they are more interested in having less tires and more liquor, or less food and more whisky.

Mr. Speaker, the order ought to be rescinded now.

OIL FROM WEST TEXAS

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?
There was no objection.

Mr. THOMASON. The remarks of the gentleman from California [Mr. Voorhis] encourages me to comment briefly. In my judgment you would not have all this conversation and controversy about the so-called Elk Hills Naval Reserve if even slight encouragement was given to the application of some prominent and

responsible citizens of my State, Texas, who are willing and anxious to build at their own expense or with amply secured Government loans, a pipe line from Monahans, Tex., in my district, to the coast of California, where oil from the Permian Basin could be refined and delivered to the Navy at some convenient point on the Pacific coast.

The so-called Permian Basin is located in west Texas and southern and southwestern New Mexico and is the greatest potential oil field in the world. Geologists as well as Government experts admit it. It is already a proven field. There are hundreds of wells with enormous production. They are short on transportation facilities out there. The price of crude oil has been entirely too low to justify further development which the independents would like to make. But if somebody in Government would O. K. or encourage the building of this pipe line it would mean more development in that section and it would mean more oil for the Navy and would avoid a lot of discussion about this Elk Hills Naval Reserve. If you will give my people a fair price for crude and any kind of transportation, we will deliver all the oil needed, and we will not be involved in a contract like Elk Hills.

Mr. RIVERS. Will the gentleman yield?

Mr. THOMASON. I yield.

Mr. RIVERS. They have a surplus of 233,000 barrels a day there.

Mr. THOMASON. Yes; I repeat, that reputable geologists say it is the greatest potential oil field in the world today. It is already a proven field, with hundreds of fine wells now producing but without adequate price and market. In that connection I hope the distinguished chairman of the Naval Affairs Committee [Mr. Vinson of Georgia] will have hearings before his committee and pass out a resolution giving the stamp of their approval to this project, because I think it would help to wake up some of the officials who thus far have not accorded the application the consideration I think it deserves.

Mr. RIVERS. I will tell you who it is. It is Ralph K. Davies.

Mr. THOMASON. I am calling no names and making no charges. I claim there is merit in this pipe line proposal and that it is not receiving a square deal. I insist that the price of crude oil in my country should be raised 35 cents a barrel and transportation provided for us to get it to market.

The SPEAKER. The time of the gentleman from Texas has expired.

EXTENSION OF REMARKS

Mr. CARLSON of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks and include two letters written by the War Food Administrator to the chairman of the Ways and Means Committee.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

CORRECTION OF THE ROLL CALL

Mr. SHAFER. Mr. Speaker, I ask unanimous consent to correct the RECORD. On roll call No. 105, I am recorded as not having voted. I was present in the Chamber and voted "aye." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Without objection, the RECORD and Journal will be corrected accordingly.

There was no objection.

CORRECTION OF THE RECORD

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to correct the RECORD. I am not accusing anybody of slandering Members of the Senate or trying to demote Members of the House, but there is a terrible error in the RECORD of yesterday at page 6611.

It shows several Members of the House speaking on a subject of vast importance, and at the top of the page it shows that it was in the Senate. I submit with all deference to the other body, that the RECORD ought to be corrected to show that the debate so recorded took place in the House of Representatives and not in the Senate.

So I ask unanimous consent that the correction be made. The error appears, as I said, on page 6611 of the RECORD of yesterday, June 23.

The SPEAKER. Without objection, the RECORD will be corrected.

There was no objection.

[Mr. RANKIN addressed the House. His remarks will appear hereafter in the Appendix.]

PENALTY MAIL PRIVILEGE

Mr. BURCH of Virginia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 4033, an act relating to the use of the penalty mail privilege, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, strike out lines 14, 15, and 16 and insert:

"SEC. 5. Sections 1, 2, 3, and 4 of this act shall not apply to the Department of War and the Department of the Navy, and their activities outside of the city of Washington, for the duration of the present war and 6 months thereafter."

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. BURCH]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the effect of this amendment?

Mr. BURCH of Virginia. The House bill provided that during the emergency and for 6 months thereafter, the War Department and the Navy Department would be relieved from making account of penalty mail.

Mr. MARTIN of Massachusetts. Oh, yes. I recall. The gentleman explained this bill to me the other day.

Mr. KNUTSON. Let me explain it to the House, please.

Mr. BURCH of Virginia. This applies to outside activities, outside of Washington. It is just a clarifying amendment.

Mr. KNUTSON. Extracurricular activity?

Mr. BURCH of Virginia. Yes.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to. A motion to reconsider was laid on the table.

CUSTODIAL SERVICE EMPLOYEES OF THE POST OFFICE DEPARTMENT

Mr. BURCH of Virginia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 4215, an act to extend to the custodial-service employees of the Post Office Department certain benefits applicable to postal employees, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill and the Senate amendment, as follows:

Page 3, line 21, after "holidays", insert "": *Provided further*, That the provisions of the foregoing provisos shall apply to employees of the Custodial Service during the period of the emergency and for 6 months thereafter."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

DISPOSITION OF PROFITS FROM SALES OF SHIPS' STORES

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 784) to amend the act of June 24, 1910, relating to the disposition of profits from sales of ships' stores.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from New York explain the bill?

Mr. COLE of New York. Mr. Speaker, under present law the Navy is authorized to conduct ships' stores for the purpose of selling toilet articles and cigarettes. Profit is limited to 15 percent. The proceeds of that operation are used for the recreation, comfort, and pleasure of the enlisted personnel. This bill as originally introduced sought to extend the availability of those funds to officer personnel. The House committee has amended the bill by limiting the officer use to officers aboard ships and officers located in foreign naval establishments except such foreign naval establishments as might be designated by the Secretary of the Navy as permanent establishments.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of June 24, 1910 (36 Stat. 619; 34 U. S. C. 542), under the heading "Bureau of Supplies and Accounts," subheading "Provisions, Navy," second proviso, is hereby amended by striking out the words "enlisted force" at the end of line 3 on page 620 and inserting in lieu thereof the words "personnel of the Navy," so that as amended said proviso will read as follows: "Provided, That hereafter a profit not to exceed 15 percent may be charged on sales from ships' stores, such profit to be expended in the discretion of the Secretary of the Navy, under such regulations as he may prescribe, for the amusement, comfort, and entertainment of the personnel of the Navy, and to be accounted for to the Bureau of Supplies and Accounts, Navy Department:—"

With the following committee amendment:

Amendment offered by Mr. COLE of New York: Strike out all after the enacting clause and insert:

"The second proviso under the heading 'Bureau of Supplies and Accounts,' subheading 'Provisions, Navy,' in the act of June 24, 1910 (36 Stat. 619-620; 34 U. S. C. 542), is hereby amended to read as follows:

"'Provided, That hereafter a profit not to exceed 15 percent may be charged on sales from ships' stores, such profits to be expended in the discretion of the Secretary of the Navy, under such regulations as he may prescribe, for the amusement, comfort, and contentment of the enlisted force, except that the Secretary of the Navy shall cause an equitable use of such profits to be made for the welfare of officer and enlisted personnel attached to ships of the Navy and to activities outside the continental United States but not including permanent shore establishments as defined by the Secretary of the Navy, and such profits to be accounted for to the Bureau of Supplies and Accounts, Navy Department.'"

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPAYMENT OF PURCHASE PRICE OF CERTAIN HOUSING SOLD TO INDIVIDUALS BY FARM SECURITY ADMINISTRATION

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 702) to permit the repayment of the purchase price of certain housing sold to individuals by the Farm Security Administration, and for other purposes, with Senate amendments and concur in the Senate amendments.

The Clerk read the title of the bill and the Senate amendments, as follows:

Page 1, line 4, after "individual", insert "under any program administered by the Resettlement Administration or the Farm Security Administration."

Page 2, line 19, after "agreement", insert "having been in force for 5 years."

Page 3, line 2, strike out "a warranty deed to such real estate" and insert "forthwith a quitclaim deed conveying all right, title, and interest of the United States in and to such real estate without any reservations, exceptions, conditions, or restrictions whatsoever."

Amend the title so as to read: "An act to permit the prepayment of the purchase price of certain housing sold to individuals by the Resettlement Administration or the Farm Security Administration, and for other purposes."

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the amendments?

Mr. AUGUST H. ANDRESEN. Mr. Speaker, this bill has passed the House twice. It provides for transactions to be completed in the Farm Security and Rural Rehabilitation Administration. Where properties have been sold to individuals it permits these individual purchasers to pay their obligation and secure title.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

[PUBLIC LAW 364—78TH CONGRESS]

[CHAPTER 293—2D SESSION]

[H. R. 4033]

AN ACT

Relating to the use of the penalty mail privilege.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all envelopes, labels, wrappers, cards, and other articles, bearing the indicia prescribed by law for matter mailed free of postage under the penalty privilege by all executive departments and agencies, all independent establishments of the Government, and all other organizations and persons authorized by law to use the penalty privilege, shall be procured or accounted for through the Postmaster General under such regulations as he shall prescribe. The head of each such department, agency, establishment, or other organization, or each such person, shall submit to the Postmaster General within sixty days after the close of each fiscal year a statement showing the number of envelopes, labels, wrappers, cards, and other articles bearing such indicia on hand at the close of such fiscal year.

SEC. 2. (a) The Postmaster General shall report to the Congress and to the Bureau of the Budget as soon as practicable after the close of the fiscal year ending June 30, 1944, and within ninety days after the close of each subsequent fiscal year, the number of envelopes, labels, wrappers, cards, and other articles bearing such penalty indicia used during such fiscal year by each executive department and agency, by each independent establishment, and by each organization and person authorized by law to use the penalty privilege.

(b) The Postmaster General shall, beginning with the fiscal year beginning July 1, 1944, report quarterly to the Congress and the Bureau of the Budget the number of envelopes, labels, wrappers, cards, and other articles bearing such penalty indicia procured or accounted for, through him, by each such department, agency, establishment, and other organization and person, together with the estimated number of pieces and weight of matter mailed free of postage under the penalty privilege and the estimated cost of handling such matter as determined by the cost ascertainment procedure of the Post Office Department.

(c) Based on the estimated cost determined in accordance with subsection (b), each such department, agency, and independent establishment, except the Post Office Department, shall include in its annual estimates of appropriations an amount representing the anticipated costs to the Post Office Department of handling the penalty mail of such department, agency, or independent establishment.

(d) Within thirty days following determination and advice by the Postmaster General of the estimated cost of handling the penalty mail, each such department, agency, and independent establishment shall deposit in the general funds of the Treasury as miscellaneous

receipts from its appropriations an amount equivalent to such costs.

SEC. 3. On and after August 1, 1944, no article or package of official matter, or number of articles or packages of official matter constituting in fact a single shipment, exceeding four pounds in weight shall be admitted to the mails under the penalty privilege, except (1) stamped paper and supplies sold or used by the postal service; and (2) books and documents published or circulated by order of Congress when mailed by the Superintendent of Public Documents or under the franking privilege.

SEC. 4. (a) Official matter not within the provisions of section 3 which is over four pounds in weight, if otherwise mailable, whether sealed or unsealed, including written matter, shall, if such matter does not exceed the limit of weight or size prescribed for fourth-class matter, be accepted for mailing upon the payment of postage at fourth-class rates.

(b) Shipments of official matter shall be sent by the most economical means of transportation practicable, and the Postmaster General may refuse to accept any such matter for shipment by mail when in his judgment it is in the public interest that it be forwarded by other means at less expense.

SEC. 5. Sections 1, 2, 3, and 4 of this Act shall not apply to the Department of War and the Department of the Navy, and their activities outside of the city of Washington, for the duration of the present war and six months thereafter.

SEC. 6. All executive departments and agencies, all independent establishments of the Government, and all other organizations and persons authorized by law to use the penalty privilege, are directed to supply as soon as practicable, all necessary information requested by the Post Office Department to carry out the provisions of this Act.

SEC. 7. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 8. This Act shall take effect July 1, 1944.

Approved June 28, 1944.



UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF BUDGET AND FINANCE
WASHINGTON 25, D.C.

July 26, 1944

BUDGET AND FINANCE CIRCULAR 767

Estimate and Reports on Volume and Cost of Handling Penalty Mail
(Section 2, Public Law 364, 78th Congress)

The provisions of this circular relate solely to Section 2 of Public 364, i.e., handling penalty mail not exceeding 4 pounds in weight; estimates in connection with Sections 3 and 4 of Public 364, which relate to shipment of mail in excess of 4 pounds in weight, have already been requested in a separate communication to bureau budget representatives signed by Mr. Roberts, of this Office, on July 14, 1944.

Section 2 of Public Law 364, approved June 28, 1944, provides, in part, that (1) the Postmaster General shall, beginning with the fiscal year 1945, report quarterly to Congress and the Budget Bureau the estimated number of pieces and weight of matter mailed free of postage under the penalty privilege and the estimated cost of handling such matter as determined by the cost ascertainment procedure of the Post Office Department, and (2) based on the estimated cost as determined by the Postmaster General, the Department of Agriculture shall include in its annual estimates of appropriation an amount representing the anticipated cost to the Post Office Department of handling such matter for the Department of Agriculture. Within 30 days following determination and advice by the Postmaster General of the estimated cost of handling this penalty mail, the Department of Agriculture will be required to deposit in the general funds of the Treasury as miscellaneous receipts, from its appropriation for the purpose an amount equivalent to such cost. It is contemplated that there will be a single new lump sum appropriation to the Department for this purpose for each of the fiscal years 1945 and 1946.

Because of these requirements, bureaus and agencies and the Department will need accurate data on estimated volume and kinds of penalty mail as a basis for preparing and justifying the estimates for the fiscal years 1945 and 1946. The need for complete and accurate coverage cannot be overemphasized, since the single lump sum appropriation for this purpose will in itself constitute an effective control on the volume of mail. There will also be a need for accurate data in prorating to the various bureaus the cost billed each quarter by the Post Office Department since it is understood that the bill will contain a single amount for the whole Department. The attached data sheet, which has been developed in consultation with the Budget Bureau and representatives of bureaus and agencies of the Department, shows the type of information which will be needed. A breakdown into two main types of mailings is required as indicated in the data sheet.

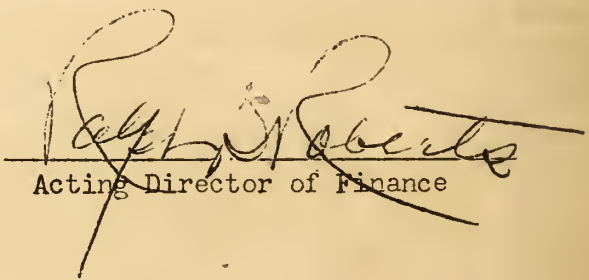
For each of the months of August and September, 1944, each bureau should submit to the Office of Budget and Finance not later than the twentieth of the following month a report on actual volume of mail on which the individual mailings do not exceed 4 pounds in weight sent under the penalty indicia, using the attached form which should be submitted in quadruplicate. With the September, 1944, report of

actual mailing for that month, each bureau should also submit separate estimates of its anticipated volume and cost of such penalty mail for each of the full fiscal years 1945 and 1946, using the same forms, but showing both number of pieces and costs. In determining the amount of the annual estimates of funds required, the Post Office Department advises that we should use the rate of $1\frac{1}{2}$ cents per piece of mail, regardless of the postal class. These annual estimates should be projected from the information reported for the months of August and September, 1944, varied or adjusted to the extent deemed necessary to reflect such factors as seasonal mailing, official indicia envelopes and cards enclosed for use in transmitting requested replies, contemplated expansion or reduction in programs which would affect mail volume, etc. The annual estimates should be accompanied by explanatory memoranda or statements supporting the estimates which should be signed by the head or acting head of the bureau or agency.

A special procedure has been developed by the Office of Information, in cooperation with representatives of bureaus of the Department, with respect to a portion of mailings under category 1. That portion which represents printed materials distributed through the Office of Information will be reported on for volume of mailings, and will be estimated for, by the Office of Information. Each bureau, however, will report on and estimate for all mailings of printed materials not distributed through the Office of Information, such as direct mailings from the bureau in response to inquiries, mailings by contract distributors on order of the bureau, etc. (As previously arranged, the bureaus of the Department will pay for all bulk mailings in excess of 4 pounds, under Sections 3 and 4 of Public Law 364, furnishing appropriate permit numbers, when necessary, to the Office of Information.)

Procedures for certain other phases of operations under Section 2, such as methods of accounting and reporting for volume of mail as a basis of control and for prorating the quarterly bill to the bureaus, are at present in a developmental state. They will be released as soon as possible.

Questions relating to the estimates may be taken up with Mr. Wilson, Estimates Section, Office of Budget and Finance, Extension 5901.


Acting Director of Finance

Index entry:

PENALTY MAIL

Estimate and Reports on Volume and Cost of Handling

ADDITIONAL INSTRUCTIONS FOR PREPARATION OF STATEMENT
SHOWN ON REVERSE SIDE

It is important that the figures reported reflect a complete statement of the volume of Section 2 mail transmitted by the bureau or agency and its cooperating agents having authority to use the penalty mail indicia.

Piece of Mail: A piece of mail represents a single unit placed in the mails, as, for example, an envelope or a package, regardless of the number of separate letters, bulletins, circulars, or regulations which may be contained in the envelope or package.

In cases where an envelope or package contains a mixture of general correspondence, operational circulars, and publications of one sort or another, the "piece of mail", i.e., the envelope or package, should be classed under category 2, i.e., "Billings on loans, etc., etc.," on the basis that the mailing is basically one of "operational or administrative" rather than one clearly falling under category 1.

It is desired, for purposes of uniformity, to group all mailings under the two main categories shown in the left-hand column of the statement. However, if it is desirable for purposes of more logical, realistic, and advantageous estimating and reporting of volume, within a particular bureau or agency, to break down the various kinds and types of mail matter in greater detail, this should be done. For example, under "Farmer's Bulletins, market and crop reports, leaflets, technical and other publications (printed or processed)", it may be preferable to indent and list as separate entries one or more of the specific items (such as "Farmer's Bulletins", "AWI Publications", and so on) which fall under that category. In all instances where a further breakdown is used on the report and estimate, a subtotal should be stated for the items under the main category.

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of Plant and Operations
Washington 25, D. C.

July 21, 1944

Plant and Operations Circular No. 153

Public Law No. 364, Approved June 28, 1944
Postmaster General's Order No. 25157, Dated June 30, 1944

Reference is made to Sections three and four of Public Law No. 364 and the Postmaster General's order which require that on and after August 1, 1944 all articles or packages of official matter or a number of articles and packages of official mail constituting in fact a single shipment exceeding four pounds in weight, whether sealed or unsealed, including written matter, will be admitted to the mails only when postage is prepaid at the fourth class rate.

Bureaus of the Department filing with the Postmaster, Washington 13, D. C. an application for an official mailing permit sufficiently in advance of the effective date to enable the permit to be issued will be required to prepare and dispatch official mail to the Department's Post Office in the following manner on and after August 1, 1944:

THESE INSTRUCTIONS ARE APPLICABLE ONLY TO MAIL EMANATING FROM WASHINGTON, D. C., AND NOT TO INCOMING MAIL.

A. DETAILED INSTRUCTIONS APPLICABLE TO OFFICIAL MAIL WEIGHING IN EXCESS OF 4 POUNDS WHICH WILL BE PREPARED BY THE BUREAUS FOR TRANSMISSION UNDER THE "OFFICIAL MAILING PERMIT" METHOD.

1. ALL MAIL OTHER THAN DESCRIBED UNDER "B" WEIGHING IN EXCESS OF 4 POUNDS: Bureaus will be required to include the "Official Mailing Permit Number" directly under the return address, either in printing or by rubber stamp on all such articles mailed on and after August 1, 1944. Envelopes, labels, wrappers, cards, and other articles bearing the penalty indicia shall not be used where official mail permit numbers are used.

2. DIRECT SACKS: In the case of direct sacks, i.e., sacks of mail addressed to one individual, the proper address must be placed on a label in the sack slide and a tag attached indicating that the contents are mailed under an official mailing

permit with the permit number. It will not be necessary to place the official mailing permit number on each individual article contained in direct sacks. Postage charges will be based on net weight of contents of direct pouches and sacks. When such mail is received in the Post Office, it will be weighed and rates by two employees who will endorse the articles "Postage paid, Washington, D. C." Slide label and tag should be prepared in the following manner:

SOIL CONSERVATION SERVICE
KANSAS CITY 8, MISSOURI

U. S. Department of Agriculture
Washington 25, D. C.

PERMIT NO. 00000

Soil Conservation Service
124 Fifth Street
Kansas City 8, Missouri

3. SACKS CONTAINING MAIL FOR MORE THAN ONE INDIVIDUAL, TO MORE THAN ONE ADDRESS, OR ARTICLES WITH DIFFERENT "OFFICIAL MAILING PERMIT NUMBERS": Each article contained in the sack must have the "official mailing permit number" printed or stamped directly under the return address. The sack slide label should contain only the words

MISCELLANEOUS OFFICIAL
MAIL PERMIT NUMBERS

A tag should also be attached to the sack with the words

U. S. DEPARTMENT OF AGRICULTURE

See Contents for Official
Mailing Permit Numbers

Absence of the permit number on slide label and tag will indicate to the Post Office Department that the sack is to be opened and the contents segregated for subsequent transmission.

4. TAGS FOR SACKS: Tags without penalty indicia must be used. Bureaus will be required to obtain their individual supply of tags.
5. SACK SLIDE LABELS: Bureaus will be required to obtain their individual supply of labels.
6. PERMIT NUMBER STAMPS: Bureaus desiring to use rubber stamps for permit numbers should have the stamps conform as nearly as possible to the following:

PERMIT NO. <u>00000</u>

$\frac{1}{4}$ " Letters

7. Total contents of one sack shall not exceed seventy pounds in weight.

B. GENERAL INSTRUCTIONS APPLICABLE TO OFFICIAL MAIL WEIGHING IN EXCESS OF 4 POUNDS WHICH WILL REQUIRE POSTAGE TO BE PREPAID BY POSTAGE STAMPS OR POSTAGE METER INDICIA.

1. AIRMAIL: Airmail cannot be accepted under an official mailing permit. ALL AIRMAIL MUST BE PREPAID by the use of postage stamps or postage meter indicia. Mail of this type will be handled by the Department Post Office in the same manner as it has been heretofore by the use of Form AD-19.
2. FOREIGN MAIL: Foreign mail cannot be accepted under an official mailing permit. FOREIGN MAIL MUST BE PREPAID BY MEANS OF POSTAGE STAMPS. Mail of this type will be handled by the Department Post Office in the same manner as it has been heretofore by the use of Form AD-19.
3. SPECIAL DELIVERY: Agencies requiring special handling or especially expeditious service on matter weighing in excess of four pounds should indicate on each parcel that special handling or special delivery service is desired. THE ADDITIONAL FEES FOR SPECIAL SERVICES MUST BE PREPAID WHEN PRESENTED, either by postage stamps or postage meter indicia. Mail of this type will be handled by the Department Post Office in the same manner as it has been heretofore by the use of Form AD-19.
4. REGISTERED MAIL: The provisions of Sections three and four of Public Law No. 364 apply to registered mail as well as to the ordinary mail on all articles weighing in excess of four pounds. Registered mail may be presented under the same official mailing permit number as that used for the mailing of ordinary parcels. Postage on registered articles and pouches may be prepaid by postage stamps or postage meter indicia. Mail of this type will be handled by the Department Post Office in the same manner as it has been heretofore by the use of Form AD-19.

5. Envelopes, labels, wrappers, cards, and other articles bearing the penalty indicia shall not be used on mail described under paragraphs 1, 2, 3, and 4.

6. All postage required for mail described under paragraphs 1, 2, 3, and 4, will be affixed by the Department Post Office and bureaus will be billed by the Bureau Accounting Service from Forms AD-19 in the usual manner.

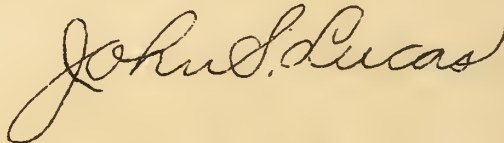
C. INSTRUCTIONS FOR PREPARING REQUISITIONS COVERING MATERIAL TO BE DISPATCHED BY THE CENTRAL SUPPLY DIVISION AND THE PHOTOGRAPHIC AND DUPLICATING SERVICES DIVISION.

1. CENTRAL SUPPLY DIVISION: Shipments from the Central Supply Division are ordinarily forwarded by the most economical mode of transportation. The proper permit number must be shown on all requisitions requiring field delivery, unless it is known that the original movement or subsequent shipment of a back-ordered item will not entail delivery by Parcel Post.

2. PHOTOGRAPHIC AND DUPLICATING SERVICES DIVISION: Requisitions submitted to the Photographic and Duplicating Services Division on and after August 1, 1944, must clearly indicate thereon the bureau permit number under which any mailings are to be made. In the event that the permit number is not shown, mail will be transmitted with postage prepaid. Reimbursement for such postage used will be secured by the usual method.

Matter carried in the Mail and Messenger Service outside of the mail, i.e., matter clearly addressed to run and stop numbers within the Washington delivery area, is not subject to postage. Envelopes, labels, wrappers, cards, and other articles bearing the penalty indicia shall not be used in connection with this type of mail.

For additional information or clarification of these instructions call Mr. Hoyland, Extension 3535, or Mr. Bedwell, Extension 6367.



Acting Chief, Office of Plant and Operations

MAIL

Mail Weighing in Excess of Four Pounds
Permit, Official Mailing